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17 March 1993



# ***JPRS Report***

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## **East Asia**

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# East Asia Southeast Asia

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### **Khun Sa To Take Back Control of Shan Council**

93SE0129A Bangkok *THE NATION* in English  
12 Dec 92 p A3

[Article by Dome Suwawan: "Khun Sa Set To Take Back Control of Shan Council"]

[Text] Chiang Mai—Drug kingpin Khun Sa will soon regain control over the administrative and military apparatus of the Muong Tai Army, a member of the Shan State People's Representative Committee said yesterday.

The member, identified as Da Tun, said the committee had held a series of meetings recently at which 155 of 218 committee members voted for Khun Sa to resume the leader's post of the Shan State Restoration Council.

He did not say when Khun Sa would officially take over the post.

Khun Sa, he said, had vowed to eliminate drugs from Shan State and prepared to propose an anti drug-trafficking plan to the president of the United States. He provided no details.

Khun Sa, alias Chang Si Fu, announced on August 29 that he quit all posts in the Muong Tai Army so that his image of a drug kingpin would not hurt the rebels' goal of fighting for an autonomous Shan State.

According to one analyst, many people who form part of Khun Sa's "population" are frustrated by the fact that Khun Sa's drug connections deprive them of external contacts, whereas other minorities, such as the Karen, the Karenis and the Mons, have successfully rallied external support to back their independence struggle.

Whether Khun Sa really gave up his power is a major puzzle to the outside world. Analysts have described news of his "resignation" as a charade staged to clean up his image.

However, some observers believe that the drug kingpin may really have succumbed to pressure from his own people and stepped down in August.

Khun Sa, 59, had been the leader of the Shan State Restoration Council and its Muong Tai Army (MTA) which claims to have 22,000 soldiers.

The MTA has its headquarters at Hua Muong opposite Mae Hong Son province in northern Thailand.

The drug warlord was indicted by the United States in 1990 for alleged heroin trafficking and came under increased threat of arrest following a US Supreme Court ruling allowing the kidnapping of criminal suspects in foreign countries.

With independence for Shan State as their stated goal, the MTA has been defending the drug trafficking routes.

Khun Sa said shortly after his resignation in August that the narcotics problem in the Golden Triangle would continue to exist even though he no longer wielded power in the MTA.

### **Daewoo Chairman Discussed Business With Minister**

93SE0131A Rangoon *WORKING PEOPLE'S DAILY*  
in English 6 Jan 93 p 7

[Article: "Chairman of Daewoo Co. Ltd. Calls on Ministers"]

[Text] Yangon, 5 Jan—A delegation led by Chairman of Daewoo Co Ltd of ROK Mr Woo Choong Kim paid a courtesy call on Minister for Industry 1 Lt-Gen Sein Aung at the Ministry on Kaba Aye Pagoda Road this morning.

Mutual co-operations in industrial sector were cordially and frankly discussed.

Similarly, the delegation paid a courtesy call on Minister for Forestry Lt-Gen Chit Swe at the Ministry on Thiri Mingala Lane at 11 am today.

Matters relating to economics based on timber and mutual interest were cordially and frankly discussed.

Present on the occasion were Director-General of Planning & Statistics Department U Myat Thinn, Managing Director of Myanma Timber Enterprise U Hla Pe and acting Director-General of Forest Department U Soe Kyi.

Next, the delegation paid a courtesy call on Minister for Hotels and tourism Maj-Gen Kyaw Ba.

The Minister explained sites for building hotels. The Chairman of Daewoo Co Ltd Mr Woo Chong Kim suggested that the empty space near Sule Pagoda was suitable for office building. The Minister replied that priority was given to construct hotels because of few hotel rooms at present. If they wanted to build office construct they could build about 20-storey building, he said. The Minister also made arrangements for the delegation to visit sites for building hotels.

Minister for Agriculture Maj-Gen Myint Aung received the Daewoo delegation at the Myanma Agriculture Service on Natmauk Road this afternoon.

Directors-General and managing directors of various departments and enterprises under the Ministry of Agriculture were also present.

Matters relating to importing and utilizing machines and farm implements from ROK and fitting in Myanmar [Burma], setting up rubber plantations under joint venture of Daewoo Corporation and the Ministry of Agriculture and exchange of farm products and implements such as fertilizers and diesel oil were cordially discussed.

Minister for Trade Maj-Gen Tun Kyi also received the delegation at 3 pm today. Mutual interests of economic and trade were cordially discussed.

Deputy Minister for Trade U Win Naing, Director-General of Grade Department U Maung Maung Kyaw, advisers, managing directors and officials were also present.—MNA

**Youths Warned To Safeguard National Sovereignty**  
*93SE0131B Rangoon WORKING PEOPLE'S DAILY in English 5 Jan 93 p 12*

[Text] Yangon, 4 Jan—Secretary-1 of the State Law and Order Restoration Council Maj-Gen Khin Nyunt singled out the objectives of the 45th Anniversary Independence Day and stressed the importance of keeping patriotism ever alive and dynamic especially among youths. He underscored that they should not be swayed or misled by instigations from inside and outside the country. He spoke of the need to safeguard the national independence and sovereignty.

**Cultivation of Double-Crop Paddy Successful**  
*93SE0131C Rangoon WORKING PEOPLE'S DAILY in English 3 Jan 93 pp 1, 2*

[Article: "Cultivation of Double-Paddy Successful in Ayeyarwady Division"]

[Text] Yangon, 2 Jan—Secretary-2 of the State Law and Order Restoration Council Maj-Gen Tin Oo today inspected successful cultivation of double-crop paddy in Pyapon District and Patheingyi Township.

The Secretary-2 was accompanied by Minister for Agriculture Maj-Gen Myint Aung, Minister for Labour Maj-Gen Aye Thoun, Commander of the Eastern Command Maj-Gen Maung Aye, Commander of the Southern Command Maj-Gen Soe Myint, Minister for Transport Maj-Gen Thein Win, Minister for the Prime Minister's Office Brig-Gen Lun Maung, Quartermaster-General Brig-Gen Min Thein, Chief of Staff (Navy) Commodore Tin Aye and Division Commanders.

They inspected double-crop paddy cultivation in Taboekone Village in Kyaiklath Township, Pyapon District.

Secretary of Pyapon District Law and Order Restoration Council Maj Myint Aung briefed Secretary-2, Ministers and party on the completed double-crop paddy cultivation acreage in Kyaiklath Township, and other officials presented reports on undertakings of Myanmar Agriculture Service for successful yield, irrigation and others.

Minister Maj-Gen Myint Aung said that the State has provided necessary oil, fertilizers, equipment and other supports.

He also said in Yangon and Ayeyarwady Divisions paddy can be cultivated successfully for double cropping.

The Ministry of agriculture has targeted to purchase 30 baskets of paddy per acre, he stated.

Fifty thousand acres have been targeted for double cropping of paddy in Pyapon District, out of which 21,050 acres have been filled with double-crop paddy in Kyaiklath Township.

The Secretary-2, Ministers and party proceeded to Gyowahkyaukye Village in Pyapon Township and inspected cultivated areas.

Chairman of Ayeyarwady Division Law and Order Restoration Council Commander of the South-West Command Brig-Gen Tin Hla explained concerted efforts for cultivation of double-crop paddy for successful yield in the division.

The Secretary-2, Ministers and party arrived at Myinka-seik Village in Patheingyi Township and were welcomed by Commander of No 2 Tactical Operations Lt-Col Tun Yi, Chairman of Patheingyi District Law and Order Restoration Council Lt-Col Aung Htay and officials.

The Secretary-2 and party inspected paddy fields under double cropping and their irrigation.

In Patheingyi Township, the double-cropping area of paddy has increased from 400 acres in the past to 20,000 acres. Short of good natural flow of water, the area has to mainly rely on pumped water.

Peasants expressed encouragement for the expected yield of paddy 100 baskets per acre, due to double-crop cultivation. Former yield was an average of 40 baskets per acre.

Myanmar Agriculture Service Managing Director U Tin Hlaing explained different cultivation methods.

The Secretary-2 spoke of the encouraging situation of double-cropping in the township he inspected, saying State Law and Order Restoration Council Chairman General Than Shwe had given guidance to try and produce 700 million baskets of paddy country-wide this year.

He emphasized the need for full implementation of plans laid down by the Ministry of Agriculture.

He said problems arose in the past due to false statistics submitted to higher levels and reminded the officials concerned and peasants to present the true situation.

He exhorted the peasants to strive for seeking innovations despite the assistance of the State.

He said paddy production must be boosted year to year.

The Secretary-2, Ministers and party proceeded to Chaungtha Beach in Patheingyi West where they inspected construction of buildings and a pool for Chaungtha Hotel.—MNA

### Columnist Discusses U.S. Election Results

93SE0088A Phnom Penh KAMPUCHEA in Cambodian  
17 Nov 92 p 4

[Text] George Bush's loss of a second term in the presidential elections is the sign of a profound change in politics in the United States.

During the 18 months of waging the U.S. election campaign, there were two events which occurred and which were both calculated incorrectly by Mr. Bush. These incorrect calculations were what caused him to be defeated in the election for another term as president.

The first event was after the U.S. victory in the war against Iraq in the Persian Gulf. At that time, it was estimated that up to 90 percent of the American public supported Mr. Bush. Mr. Bush himself believed that he was the hero who had achieved this victory in the war as an active commander in chief and as a clever diplomat and Mr. Bush's supporters firmly believed that there was not any reason at all why he should not win a second term. Up to this time, it had been observed that because his pride in the great victory was too intense it blinded him to the weak points within the nation. These were: the lack of jobs, the declining state of the economy, the problem of the people's health protection which was getting more and more troublesome, and the worries of the people about their future; Mr. Bush was unable to grasp these. As a wealthy person who was born to a very wealthy family making its money through the exploitation of oil wells in Texas, there was a wide rift between Mr. Bush and the masses. He was absolutely unable to understand about the life of the people because he was surrounded by a thick protective barrier, his bodyguards and the powerful bureaucracy in the White House, which kept the people away from him. People who know Mr. Bush consider him to be a good person, from a family which had much political and diplomatic experience, but the wide rift between him and the lives of a majority of the ordinary American people caused Mr. Bush to suffer a bitter defeat in the election to continue as president in the White House.

Another event which Mr. Bush calculated incorrectly was that after Mr. Ross Perot withdrew as a candidate on 16 July, Mr. Bush firmly believed that the people would turn from supporting Ross Perot and support him because he was the only president of the United States who had ended the cold war between the West and the East following the collapse of the Soviet Union and the fall of Communism in Eastern Europe. At that time, in spite of the results of the opinion poll in the campaign which showed that candidate Bill Clinton had a sizable advantage over him, Mr. Bush still firmly hoped that he would win in the end. However, the event which caused him to lose heart again was the re-entry of Mr. Ross Perot into the race.

Following the television broadcast of the debates between the three candidates, the comparison in this race was obvious. Observers considered that it was late

for Mr. Bush to try to clear his reputation by launching a campaign attacking the weak spots of Mr. Bill Clinton who was 22 years younger than Mr. Bush and who was born to a poor family in an isolated part of the state of Arkansas in the southern United States of America. This is an area which the majority of the American people do not know and do not wish to visit. Mr. Bush criticized Mr. Clinton saying that he was not trustworthy and that if Mr. Clinton won there would certainly be a tax increase. However, while Mr. Bush was criticizing Mr. Clinton, suddenly television and newspapers reported a scandal involving the former U.S. secretary of defense, Mr. Casper Weinberger, selling weapons to Iran in order to channel funds to the Contra guerrillas in Nicaragua and claiming that President Bush was aware of this a year before he stated that he knew nothing whatsoever. This scandal caused Mr. Bush to lose face in the election campaign. Mr. Bush and his colleagues appeared to be dumbfounded when this secret was published and they were unable to make a timely rebuttal.

Following the official results on 3 November 1992 the pride of the diplomatic policy in which Mr. Bush had put his fervent hopes, in reality, was unable to save him in the presidential election. Although Mr. Bush was the U.S. president who had won the war in the Persian Gulf and had ended the cold war, now Saddam Hussein was still in power in Baghdad and as nasty as ever and Bill Clinton most of all had won the U.S. presidential election ending the term of Mr. Bush at just one four year term.

### Sihanoukist Backs KR on UN Row; Logging Noted

93SE0126A Bangkok SIAM RAT in Thai 17-23 Jan 93  
pp 16, 17

[Article by Sanoh Worarak]

[Excerpts] [passage omitted] My destination was the Chom Pass in Kap Choeng District, Surin Province. According to my watch, I left the Surin provincial seat late in the morning; I couldn't see the sun. I passed through Prasat and Kap Choeng districts and reached the Chom Pass before my [musical] tape ended. [passage omitted]

I parked my car by the side of the road at the Thai Border Patrol Police [BPP] checkpoint and requested permission to enter Cambodia for a few hours. Officials there gave me permission to go observe things and take some pictures of the area nearby, but they refused to let me take my car. I had gone there on impulse and did not know the regulations there. After showing my identification card, I went and took some pictures.

I didn't think that this trip would yield any information that I could use to write an article. But like a fighter, I noticed some Cambodian stalls in front of me that were selling foreign cigarettes, liquor, and beer. Thus, I went forward "in search of a way." While purchasing some cigarettes, I chatted with the seller and asked her about the possibility of going deeper into Cambodia to see her

village and how she lived. While I was talking with her, a man of medium size came up. The seller, who was married to this Cambodian man, suggested that I talk to her husband and go to the office of the Cambodian immigration checkpoint. The man who invited me to go there asked me if I was a reporter. [passage omitted]

His name was Mr. Raya In. He was the deputy head of the Cambodian immigration checkpoint. He spoke the Thai language fairly well. I told him that this was my first trip here. I had just wanted to come and had not obtained a passport. I told him that I just wanted to take some pictures and write an article to give people a picture of living conditions along the border now that the fighting has stopped and the marketplace has replaced the battlefield. He said that I could enter the country and asked, If you meet any other reporters, will you recognize them? I said that I would recognize them if they work for the same newspaper. He then asked me if the editor's office knew this and that person. I didn't know any of them. He then showed me the card of a special reporter who worked for THAI RAT. The name on the card was Mr. Sarawut Watcharaphon, the deputy manager.

By that time, I thought that we were on friendly terms and that everything was going smoothly. He gave me permission to bring in my car and ordered an official to accompany me so that I could go meet a colonel who served as the commander in the Chom Pass area. The Dong Rak mountains there are controlled by soldiers loyal to Prince Sihanouk. The area opposite Sisaket and Buriram provinces, on the other hand, is controlled by Khmer Rouge forces. Things here were quite different from other places. From there, it was just 40 km to Samrong District in Oudard Meanchey Province.

The immigration police official led the way as I left the immigration checkpoint. On both sides of the road, I saw the houses of the immigration police officials and Cambodian soldiers. All of the houses, which had thatched roofs, seemed to have been built in a hurry and looked like simple huts. None of them had a metal roof. And I didn't see any television antennas. Occasionally, I saw a truck heading into Cambodia in order to take out a load of logs. I went there at the end of December, which was before the order was issued prohibiting logging operations and closing the border. Everything was still normal. After traveling for about 1 km, I reached the home of Colonel Chao Ritthisak, age 42, the commander of Battalion 3-5. He also serves as an aide-de-camp to Prince Sihanouk. When he learned the purpose of my visit, he invited me into his house, which resembled one of our huts. The table and chairs were made of bark like those at rest stops along the road in tourist areas in Thailand.

After offering me a cup of hot coffee, we began to chat.

He said that relations between Cambodia and Thailand will soon improve. Today, Cambodians are slipping across the border and robbing Thais. He has ordered 25 officials to carry on operations in order to maintain the

friendly relations between our two countries. He said that he loves Thailand like his own country. He praised Thailand's king and queen and showed me pictures of the king and queen that he kept in his home. He said that Cambodians are tied to Thais, because we share a common border, and the local people speak the same language as the Thais who live along the border. He said that his youngest daughter is in Grade 1 at the Ban Charat School in Ban Charat, Bua Choet District, Surin Province. And his oldest daughter is attending lower secondary school at the Bua Choet Withaya School. He said that she is a good student, earning an "A" in nine of the 13 courses she has taken. He said that she is fluent in the Thai language.

Recently a meeting was held in Bua Choet District to discuss Thai-Cambodian border problems. The meeting was chaired by the governor of Surin Province. This meeting was attended by senior Thai and Cambodian officials. One of the main subjects discussed was suppressing Cambodian bandits, who often slip across the border and rob Thais and steal motorcycles.

Twenty-five Cambodian officials have been sent to coordinate things with Thai BPP officials in clearing the area and suppressing such activities, and good results have been achieved. He said that he does not want to see anything affect Thailand. Those bandits are not people under his control. Those are Cambodian people and soldiers who have fled into the jungle. Every time one of them is caught, they are "sent abroad," he said laughing. But he refused to say where they are sent. Perhaps they are sent to "Kha Mot" (or Kha Moi in the Cambodian language).

On 22 December, a man was caught stealing a motorcycle, and he has already been sent away. Officials are investigating to see who else was involved. It has been learned that some Thais were involved in formulating the plan and pointing out the way. The Cambodians could not have done that alone. As for the reports that a gang is involved, that is probably not true. But if it is and Cambodian officials can't handle the matter themselves, they will ask Thai officials to provide help.

Colonel Chao Ritthisak talked about the things that have happened in Phnom Penh and several other important Cambodian cities. He said that there are a large number of Vietnamese living there. These Vietnamese include mechanics and beauticians. Some have opened shops at hotels, restaurants, and various places of entertainment. Many Vietnamese women work as prostitutes. They charge much lower prices than in Thailand. Some of their best customers are UN troops and officials. The Thai soldiers who are carrying out duties in Cambodia have done a good job and they are well disciplined. They are kind like Thais in general. He said that when he visited Thailand, he saw some people who were drunk bump into some other people. They raised their hands to "wai" [pay respect] and that was the end of the matter. Even if a person is very drunk, if he does not cause a scene, someone will take him home.

I asked him his views about the actions taken by the Khmer Rouge of Mr. Khieu Samphan with respect to the fact that the United Nations has not been able to conduct investigations and expel all the Vietnamese from Cambodia. From what he said, I learned about the feelings of a Cambodian battalion commander in this area. What he said can be of use in evaluating the "strategy" and situation along this border mountain pass area, which is a very critical area. I learned how Cambodia feels about this and what should be done to defend this area.

In the Cambodian language, the Chom Pass area is called O Smach. This leads to Oudar Meanchey (a Khmer Rouge zone of influence), Siem Reap, and Angkor Wat. Even though this mountain pass is similar to other mountain passes in the Dong Rak mountains, you don't hear very much about it, because there aren't any gemstones here as in Chanthaburi, the pass that leads directly to the gemstone mines in Cambodia. Even so, there is timber here.

Because I have already gone this far, I will now tell you about another important person, Mr. Nop Nat, a Cambodian immigration official at the Chom Pass checkpoint. He said that tourists regularly come here. All they have to do is obtain permission from the Thai immigration officials and then show a document to the Cambodian immigration officials, who will then let them enter the country without having to show a passport.

This road leads to Angkor Wat, which is just 170 km away. It is 40 km to Samrong District and then another 60 km to Siem Reap. This road is being built by the Sin Udom Company Ltd from Surin. Construction got underway on 17 October and is supposed to be completed within 6 months, that is, by 17 April 1993. After that, tourist routes will be opened.

Timber operations in Cambodia are experiencing a few problems. Some Thai merchants have "cheated." They have failed to pay the Cambodian workers who have cut down the trees and guarded the logs. As a result, people have seized vehicles and demanded payment for their return. Some Thai financiers have paid people by check, but it is inconvenient for Cambodians to cash the checks. Thus, the Cambodians have made it a rule that the merchants must pay for the timber in cash. That is, once the money is paid, the timber is delivered. That way, there won't be any problems. He spoke the Thai language very well. He probably uses those words a lot.

The food, including vegetables and fish, is brought here and sold by Heng Samrin merchants from Samrong. They obtain their clothing from Thailand. The Cambodian dried fish here isn't as good as Thai dried fish. The quality of life is different, and the methods used to catch fish aren't the same. Thus, the nickname "city of dried fish" now belongs to history. [passage omitted]

### Public Opinion on Thailand, Chakkraphong

93SE0138B Bangkok BANGKOK POST in English  
12 Dec 92 p 4

[Article by Jacques Bekaert, Asia Pacific Focus: "Cambodia: The Uncertainties of Life"]

[Excerpt] [passage omitted] If Vietnamese presence is still an obsession with most Khmers, and if the Khmer Rouge propaganda against "Vietnamese aggressors and race exterminator" finds increasingly strong echoes among the local population, a growing number of young people are beginning to resent what one of them called the economic colonialism of Thailand.

"We are beginning to believe that Thailand is more dangerous to Cambodia than Vietnam," a young man who works for the Phnom Penh government said.

Quite a few Cambodians claim that Thai businessmen are too arrogant. "They boss the Khmers about, we do like that. This is our country after all," said one Cambodian.

People in Phnom Penh talk about small incidents, like the one involving Khmer workers and the Thai manager of a textile factory in Tuol Kork. The workers accused the manager of having molested several young female workers.

Prince Norodom Chakkraphong, a member of the standing committee (Politburo) of the People's Party of Cambodia (PPC) and a deputy prime minister in charge of foreign investments, was asked to solve the conflict. The workers objected, saying that Prince Chakkraphong is too close to Thai business interests.

A few months ago the Chak Tomuk conference hall was rented to the Phnom Penh Floating Hotel against the opinion of the Ministry of Culture. It could have been a minor incident. But to many young intellectuals and students, it represents yet another challenge to the sovereignty of their country.

If Thailand is sometimes accused of "economic imperialism," much of the blame is also put on the Phnom Penh regime for selling national property so easily.

### Hun Sen Letter to Akashi Published

93SE0118A Phnom Penh KAMPUCHEA in Cambodian  
5 Dec 92 pp 1-3

[Text] Recently His Excellency Hun Sen, the prime minister of Cambodia, sent a reply to His Excellency Yasushi Akashi, the special representative of the UN secretary general and chief of UNTAC [United Nations Transitional Authority in Cambodia] in Cambodia. The main points covered in this letter are given below.

Excellency:

I had the honor to receive your letter dated 19 November 1992 in which you directed my attention to the creation and maintaining of a neutral political climate.

Concerning this matter, I would like to reiterate the determination of the State of Cambodia (SOC) on the need to maintain a neutral political climate by maintaining law and order which are absolutely necessary for the preparation of free and democratic elections. Our determination to fully implement the accords has led us, from the very beginning, to do everything possible, in spite of all kinds of obstacles, to cooperate with UNTAC in every way possible by opening our doors to all political parties which agree to follow the election rules of the UN.

In spite of this effort and our good will and the expansion of UNTAC into nearly every part of the country, the killing, whether related to armed robbery or to politics, has made us fearful and sapped much of our strength. We do not need to say that this state of affairs has been made more difficult by the Khmer Rouge not participating, but that is not the only cause. The various other political parties are not gods; they cannot walk away from the quarrels which are characteristic of all kinds of people. Therefore they do not share responsibility for the protection of a perfect neutral political climate, but it falls on the authority of the SOC alone if other factions intend to create more trouble and insecurity and to carry out political assassinations and put the blame on the SOC in its position as host. At a time when the government of the SOC is under the close scrutiny of UNTAC and at the same time is duty bound to host the other factions which enjoy every freedom, can we hope and remember that UNTAC will accept a part of its responsibility in this area as stipulated in the accords?

Excellency, in this time of conflict, how can you conclude that every act of killing or all diseases are entirely the work of the host government? Is it necessary for me to emphasize again that it is not a productive policy nor is it my desire to create a climate like this which would corrupt our reputation as hosts?

Therefore, which faction or which followers of that faction would benefit from doing this? I am very dismayed that up to now UNTAC has not undertaken to make an investigation with competent witnesses before accusing the host. Excellency, you know of our respect for the second phase of the cease-fire, our military patience, and the respect for human rights and for political freedom on our side which has caused the loss of the lives and property of the Cambodian people more and more and allowed the Democratic Kampuchea faction to gain more and more control in the countryside and therefore force us into a more and more dangerous position of self-defense. In spite of serious matters like these, we are still committed to the paths of peace.

In this spirit, I hope that there will be a closer and closer working relationship not only with your excellency but between us and UNTAC not allowing it to affect or create the fear of losing the neutrality or impartiality of UNTAC. I firmly believe that there will be close cooperation between us which can allow us to manage the situation.

Please Excellency accept my deepest respect.

### Reader's Column Discusses UNTAC Department

93SE0087C Phnom Penh PRACHEACHON  
in *Cambodian* 8 Nov 92 p 2

[Text] "To help one another in times of emergency; to recognize good people in times of difficulty." We understand this; it is why the people's party and the Cambodian Government have created a national blood bank for our kind people who wish to give blood out of a sense of real compassion.

Following day and night appeals by this national blood bank, many kind people, both Cambodian and foreign, enthusiastically volunteered to give blood because they all understand the need for aid to relieve the widespread suffering during this time of emergency.

At the same time as this, we have seen a splendid act of the kind which is rarely encountered and which must be noted in the history of the international UNTAC [United Nations Transitional Authority in Cambodia] force which has come to fulfill its duty of international peace in our Golden Land. This force has volunteered to take part in the donation of blood to our national blood bank. This voluntary and very brave gesture by the UNTAC forces makes our brothers and sisters throughout the country especially in the capitol city, who have not yet volunteered to give blood to the national blood bank take to heart the splendid act by UNTAC as a lesson and example. The clear fact which our brothers and sisters must ponder is that even though the UNTAC forces are in a different country and the people are of a different nationality, color, language, and religion, they willingly volunteer their physical and moral strength and they gave blood by the hundreds and thousands for the injured people of Cambodia.

Furthermore, we must learn a lesson from the heroic model of the UNTAC leadership which is maintaining strict discipline. For example, they have sent home 17 peacekeepers because of a lack of discipline involving fighting, drunkenness, and being AWOL. We are in charge in the country and we greatly regret the suffering of our good friends, those 17 men who have left our country before the end of their international mission here, but what can be done if the policy regarding "discipline" has been made clear. This word has great power with the leaders who follow the slogan and always say that, "If you favor your kin, you are breaking the law."

As far as this one above-cited good, honest, and decent act is concerned, we ask our senior leadership from the top down, which has already carried out and taken measures for some of these good deeds, to please increase the activities of the leadership of every institution and the discipline of our party and our state in order to strengthen and prevent a change like that above of the cadre, employees, workers, and our people now and in the future.

### Anniversary of Sihanouk's Return Hailed

93SE0087B Phnom Penh PRACHEACHON  
in *Cambodian* 14 Nov 92 pp 1, 4

[Text] The 14th of November last year was a day which the people of Cambodia remember with great joy and hope, the day of the return home of Prince Norodom Sihanouk and his wife to fulfill the great mission of mediation and national reconciliation and seek peace for the motherland and for the Cambodian people.

This year, Cambodian history has watched with great joy every one of the countless major examples of Samdech Eou's handiwork. In the search for peace and national reconciliation, in that complicated and difficult situation, he has used all his intelligence, experience, and talent in the leadership of this great royal mission by cooperating closely with the honest Cambodian factions, implementing and respecting the accords, cooperating with UNTAC, and struggling bravely to mediate every obstacle created by the Khmer Rouge in order to move forward and push for the implementation of the peace accords quickly moving toward the goal of stopping this decade-long war. Although the prince is in a neutral position, he has always bravely linked neutrality to truth and justice supporting and raising the morale of the Cambodian People's Party and the State of Cambodia (SOC) which has been resolute in implementing and respecting the Paris Peace Accords. He recognizes that the problem of blocking progress is not in any way due to the Cambodian People's Party because the government of the SOC has cooperated and is continuing to cooperate frankly and on every occasion with UNTAC and the Supreme National Council (SNC) in order to ensure the success of the implementation of the peace accords. During the past 13 years the Cambodian People's Party and the government of the SNC, which have served the people truly, have tried to save and rebuild the nation to salvage and increase production in every aspect of the economy and social affairs in order to make progress and continuous improvements in the lives of the people. The government of the SOC really is correct in continuing the policies of Popular Socialism, by making Buddhism the state religion and giving broad respect to other religious beliefs, has protected the rise of the arts, culture, civilization and glorious national inheritance in order to maintain the work and all the projects of the Cambodian People's Party and the SOC government. During the past year, the Prince has expressed his satisfaction with the Cambodian People's Party and the SOC which are following in the footsteps of Popular Socialism. The leaders of the Cambodian People's Party and the SOC are going along on the royal journey. The Prince always spends time and energy working to understand the social and economic situation of the country and the people's living and link it with the well-being of his people nearly everywhere throughout the country.

This past year, Samdech Eou has taken a continued interest in increasing diplomatic relations with friendly countries throughout the world and has forged friendly

relations with various international organizations which will benefit the nation and the people and he has actively joined in working for the return home of the Cambodian refugees so that our brothers and sisters can return to live with their families in the national society. This shows our people clearly that he really is the royal father of Cambodia and the Cambodian chief of state who is filled with a vital genius in leading the country and in national reconciliation.

He is pleased with the Cambodian People's Party and the government of the SOC which have given historical credit to him for every major accomplishment in the struggle for national independence and defense and development of Cambodia during the time of Popular Socialism when Cambodia became famous as an "Island of Peace"; he will be pleased to dwell in the shadow of his children forever.

But, sadly, during the last year, the Khmer Rouge became obstacles to the implementation of the Paris Accords causing serious difficulties for the Prince's royal mission to secure peace and national reconciliation. This is primarily because the Khmer Rouge are pulling back to the position they held before signing the Paris Accords and are using military methods instead of peaceful ones to spread trouble into the lives and property of the people. They especially want very much to expand their territory as a stepping stone to widen the war and spread it throughout the country which is waiting for peace.

Remembering this historic afternoon, the Cambodian people are determined to unite solidly with the nation to support and follow the leadership of Samdech Eou with unswerving devotion; he is a shelter for our people and solid support for national reconciliation and they guarantee anew to support the elections and make Samdech Eou the president of Cambodia. These presidential elections must take place before the constituent assembly elections for the greatest advantage to the nation and people.

### Tax Collection, Defense Spending Consequences

93SE0087A Phnom Penh PRACHEACHON  
in *Cambodian* 17 Nov 92 pp 1, 2

[Text] The state of imbalance between income and spending in the government's budget has had many consequences in the areas of salvaging and developing the economy at a time when foreign aid has been reduced. Our state economy depends completely on income from various areas of state exploitation and from taxes on independent production.

In the first nine months of 1992 there was only income from taxes and miscellaneous income which was used up for planned projects. As for income from enterprises, it was only realized 74.8 per cent because the exploitation of production work was interrupted. There was only a very small amount of income from outside the country.

At the same time, spending on defense and security was still very high because the Khmer Rouge have not joined in implementing the Paris Accords now, more than a year after they signed them; they have not demobilized their army and turned over their weapons to UNTAC [United Nations Transitional Authority in Cambodia] as the other factions have. The military threat is grave and demands that we make physical, moral, and financial sacrifices to block the Khmer Rouge's grab for power through military means. Spending on development, the economy, culture, and the government is still limited.

In tandem with that, inflation at the beginning of 1992 increased markedly for various reasons causing difficulties in the realization of income to the government through taxes and causing an imbalance between income and government spending. Furthermore, the problem of saving among the various expenses is not yet fully understood. The collection of taxes has still not been studied in depth in order to increase state tax income much more.

In order to guarantee spending in the fourth trimester in our state financial plan, the ministry of finance, specifically the customs duty section and the miscellaneous tax section, has been active in collecting taxes on public and private exploitation, service, and production.

The Ministry of Finance has given careful study to the tax situation in each production, exploitation, and service sector especially in the private sector which has recently received authorization for hotels, restaurants, snack bars, etc. and has gained income by levying a new 10 percent tax on occupied hotel rooms.

The state has not yet raised the tax on exploitation, service, and production work; it has just increased the potential of tax income for all exploitation and service work as much as possible because now with the freedom of large independent companies to import and export it will do whatever is necessary in order to avoid tax evasion which is a cause of lost state income.

To carry out our financial duties is necessary for it is a way to create an equilibrium between income and spending by the government and insure the raising of the

standard of living for civil servants and all workers in order to make progress toward stabilizing and building up the Cambodian economy to a high level of prosperity.

### **CPP Official Murdered in Kompong Thom**

93SE0138A Bangkok *THE SUNDAY POST* in English  
13 Dec 92 p 4

[Article: Agence France Presse, Kompong Thom: "Gunmen Murder Top Phnom Penh Party Official"]

[Text] A high-ranking Cambodian People's Party provincial official has been shot dead near this militarily contested city, UN officials and family members here said yesterday.

Veng Seakheng, the deputy of the Phnom Penh government's Kompong Thom office, had gone to see his wife and children in his home village when he was shot dead on Friday night by a group of men whom family members said were Khmer Rouge guerrillas.

Some 16 armed gunmen had descended on the village, about 50 kilometres south of the provincial town, christened somewhat ironically "Peace City" by the Indonesian UN peacekeepers.

The gunmen blasted the side of the family home and called for the man, 40, to come downstairs.

"Someone shouted, 'If you don't open the door, I will destroy your house and family,'" Veng Seakheng's father said.

Having heard the threat, the party official walked out and was shot dead.

The armed bank proceeded to rob four houses, shoot and wound a 53-year-old woman and rake two trucks with automatic weapons fire, according to a Phnom Penh government police report.

The father described 15 of the attackers as disguised in Phnom Penh government police uniforms with one other dressed in black.

"It was the Khmer Rouge," he said.

## POLITICAL

### Assessment of Relations With Australia

93SE0133B Jakarta SUARA PEMBARUAN  
in Indonesian 26 Jan 93 p 2

[Text] Jakarta, 26 Jan—The Australian ambassador to Indonesia, Philip Flood, feels developments have brought relations between the two countries to their best level. "During my tour as ambassador, I can say that relations between the two countries have reached the same 'nuances' as during 1945, when Australia was a strong supporter of Indonesian independence," he asserted.

Ambassador Flood said this to reporters at his home on Monday, 25 January, in connection with the end of his tour of duty in Jakarta in February. Flood has been ambassador in Jakarta for four years.

Relations between the two countries have been very gratifying in the political, mass media, trade, and tourism sectors and in various other fields, Flood stated.

According to Ambassador Flood, these good relations reached their peak when Australian Prime Minister Keating selected Indonesia as the first country he would visit after becoming prime minister.

Flood believes that the meeting of Australian and Indonesian ministers in Jakarta in November 1992 was an indicator that the two countries are determined to expand their mutual understanding.

Evaluating achievements during his four years of duty, Flood said he felt that the countries have improved their acquaintance with each other.

Flood said that during his tour of duty there have been 50 high-level visits by both sides, including Prime Minister Paul Keating's visit from 21 to 24 April 1992. "This shows interaction exists between the two countries, not only in the political sector, but in other sectors, too," he said.

### Improvement

He added that Australia wants to improve its relations with the countries of the ASEAN region generally, particularly with Indonesia. "Australia does not see any problems with applying the principle of noninterference in its relations with ASEAN countries."

When asked whether that means Australia will no longer take a critical attitude toward human rights violations in various countries, Flood said his government will continue to rate highly all observances of basic human rights. "A serious dialogue on basic rights exists among private and government organizations."

Ambassador Flood said that trade between the two countries increased in 1992 to about 3.7 trillion rupiah.

Australian investments in Indonesia in 1992 reached 1.9 billion rupiah, primarily in coal and gold mining and in the industrial sector.

Australian commitment to development cooperation aid to Indonesia in fiscal 1992-93 will reach almost 180 billion rupiah overall, primarily in infrastructure and in the development of human resources, he added.

Contacts among private individuals have been growing rapidly, and the number of Indonesian tourists going to Australia reached record levels in 1992. In December alone, the Australian Embassy in Jakarta issued 6,500 visas.

### Gratifying

Ambassador Flood also said that, besides political and economic relations, cultural contacts between the two countries have had gratifying results. Last year, the Australia-Indonesia Institute sponsored a series of activities involving art, sports, news media, and youth exchanges.

"We will continue to give high priority to developing a strong and varied cultural relations program with Indonesia. Strong cultural cooperation will continue," Ambassador Flood said.

Ambassador Flood said that relations in the mass media sector have improved, despite its being a source of conflict in the past. "Many Australian reporters are visiting Indonesia, and a gratifying number of Indonesian reporters are visiting Australia. Also, a reporter has been permanently assigned to the office of the ANTARA news agency in Canberra."

Ambassador Flood especially noted the upcoming inauguration on 17 February of Australia Television International (ATVI), managed by the Australian Broadcasting Corporation (ABC). "These television broadcasts will present the best of Australian television for viewers in Indonesia and other Southeast Asian nations."

As he closed his statements to reporters, Flood said he was optimistic that bilateral relations between the two countries will keep on expanding. "The strong commitment that exists on both sides of the Arafura Sea is a good sign for stable relations."

### Call To Revise Parliament Commissions

93SE0133A Jakarta KOMPAS in Indonesian 2 Jan 93 p 6

[Text] Jakarta (KOMPAS)—The question of how to make the DPR [Parliament] effective as a legislative body that makes laws and oversees the government and the APBN [National Budget] is being raised again. The DPR's work system, which is based on the grouping of commissions by sector, reduces the DPR's effectiveness. It is necessary, therefore, to consider grouping the commissions functionally and limiting them to merely three.

Martin Hutabarat, SH [Master of Laws], chairman of the PERSAHI (Indonesian Association of Masters of Law) DPP [Central Executive Council] recently said this to KOMPAS. The system of dividing members of the DPR into 10 commissions based on sectorial approaches like its counterparts in the executive branch makes the DPR mechanism ineffective.

"Its approach should be revised to fit the DPR's function as the holder of legislative power for the creation of laws, deciding the APBN, and overseeing the operation of the government. I am sure a grouping into three commissions can make this body of delegates of the people more effective, productive, and possessive of initiative in making quality laws that respond to the aspirations of the people," Hutabarat said. The three commissions would be the Legislative Commission, the APBN Commission, and the Oversight Commission.

V.B. da Costa, member of DPR Commission II, who was contacted separately, objects to the proposal. Reducing the number of commissions could make the DPR even more ineffective.

"The ineffectiveness of the DPR is not because of the commission grouping system. Moreover, the simplification of the commissions will increase the number of members in each commission, thus increasing the inefficiency of the mechanism. This will be especially so if subcommissions are formed under each commission, because in practice it will create a new bureaucracy," da Costa protested.

### Three Main Functions

Hutabarat, who was an F-KP [GOLKAR Faction] member of DPR Commission I from 1987 to 1992, argued that if the DPR is to function well as maker of laws there must be a special commission for legislation. In this way, the DPR could concentrate on thorough discussion of draft legislation without being sidetracked as in the case of Traffic and Highway Transportation Law No. 14 of 1992. Because the law provoked such an uproar, it was delayed a year in being put into force. A Legislative Commission could be made into a "legislative drafter" by improving the quality of its members. In turn, the DPR could submit draft legislation itself without waiting for drafts from the executive branch. Hutabarat is confident the DPR would be active and productive in making quality laws.

"Changing the DPR commission grouping would not mean reducing its oversight function. Because the new system would replace the sectorial groupings with subcommissions under the Oversight Commission, integrated approaches could be made by taking up all aspects of each sector," Hutabarat said.

The APBN Commission would not be merely maintained but would be strengthened. The DPR must oversee the executive branch in setting the budget and conducting life as a nation and state, in which every decision is felt directly by the people.

### Wrong Basis

Although supporting the objective of Hutabarat's proposals, da Costa feels the idea is hard to accept. "His basic assumption is wrong. We all know the DPR is ineffective. It is not because of the system for grouping the commissions, however, but because of the mentality of most members and because of the DPR's procedures and mechanisms," said the DPR member from the F-PDI [Indonesian Democratic Party Faction].

According to da Costa, the most obvious example is to be seen in each working meeting and hearing held by the respective commissions. Face to face with a director general or minister, most DPR members simply nod. "The reason is, most of them are also government employees," said the delegate from the East Nusa Tenggara voting area.

The argument that a change in the commission system would make the DPR more productive and cause it to have more initiative, such as in drafting legislation to create laws, is very mistaken. "Changing it ever so much will not do much good. The key to the DPR's exercising its prerogatives lies in DPR procedures. Change the procedures first, and then we can talk. The DPR is as though it is being obstructed, making it ineffective in the exercise of its legislative prerogatives," da Costa said.

According to da Costa, if the laws produced by the DPR are deemed too few and lacking in quality, the problem is actually with the poor work of those who draft legislation.

Based on da Costa's observation and experience, draft legislation submitted by the executive branch is often very sketchy, which is a result of the sectorial "egotism" of each element of the government.

"Quality is up to the executive branch element doing the drafting. As for productivity in the discussion and enactment of draft legislation, the DPR is not going to be able to produce a large number of laws simultaneously. Furthermore, effectiveness depends on the quality of the people involved. This is not a matter of brains but of mentality, a matter of whether a person has the mentality of a legislator or an employee," he declared.

## MILITARY

### Sutrisno Says ABRI Committed to Security

93SE0128A Jakarta ANGKATAN BERSENJATA  
in Indonesian 9 Jan 93 p 4

[Unsigned editorial: "ABRI Determined To Ensure Security and Order for Success of Development"]

[Text] While celebrating Christmas 1992 with the ABRI [Indonesian Armed Forces] Christian community in Jayapura on Saturday [2 January] and in Dili, East Timor, on Sunday [3 January], PANGAB [Armed Forces Commander] General Try Sutrisno declared that ABRI will not allow weaknesses and inequities to exist within the territory of the unitary state of the Republic of

Indonesia. At all times and under all conditions, however, ABRI will be firm in its commitment to do its best to create and maintain security, order, and stability, which are prerequisites for smooth and successful national development.

Without stability, the change and renewal that go with development would be erratic and even aimless. Ultimately, there would be inequality in every area of life.

Assuring a healthy and dynamic national stability that is orderly and purposeful is not a simple or easy job. It requires a comprehensive viewpoint and a firm and consistent attitude toward the basis and direction of the nation's struggle. Such an attitude must be supported by outlook and behavior that are mature and wise, particularly in clearing up differences of opinion which could lead to conflicts of interest. Resolutions and points of agreement must be sought through discussion and consensus.

The PANGAB told the Christian community in Dili on Sunday that the purpose of his presence in East Timor, like the presence of all ABRI units throughout the country, was to lead the way in calling on all the people and on all groups participating in the national struggle to use territorial approaches to improve progress, prosperity, and public tranquillity.

ABRI will always encourage, help, and give dynamics to public participation in national development, with the hope that the people will be able truly to enjoy liberty, tranquillity, security, and prosperity. From that statement, it can also be inferred that the ABRI mission in East Timor and the birth of Jesus Christ share the same spirit, namely the renewal of the earth so that the earth will be more prosperous, tranquil, and peaceful. Therefore, an ongoing oneness between ABRI and the people is the only means of success for the missions entrusted to us.

During his solemn celebration of Christmas Eve in Dili, the PANGAB repeated his appeal to those who have gone astray that they quickly come to their senses and, with their brothers in the great Indonesian family, build up East Timor in the context of national development within the unitary state of the Republic of Indonesia.

With sincerity and understanding, the government will pardon those who fully repent and surrender.

The PANGAB asked that this opportunity not be wasted or misused, because the government and ABRI will take firm and consistent action in dealing with terrorist groups and all sources of interference with security and order among the people of the area.

The PANGAB noted that in 1993 Indonesia faces the MPR [People's Consultative Council] General Assembly, which is an important event in the development process, since the General Assembly formulates the GBHN [Broad Outline of State Policy]. The GBHN functions as guidance and direction for future implementation of development.

For the General Assembly to be successful, it must have the support of all levels of Indonesian society. Therefore, all these levels of society are required to be alert, sensitive, and responsive to every indication of attempts to cloud the atmosphere and thus directly or indirectly interfere with the 1993 MPR General Assembly.

Therefore, each member of ABRI, wherever he may be and whatever his assignment, must without exception participate in this important task by fulfilling his own responsibility according to the guidance and rulings that have been laid down.

The PANGAB asked that all ABRI members who follow the Christian religion let Christmas kindle their enthusiasm for dedication to their duties. This dedication is founded on the conviction that security is part of the peace and prosperity embodied in the Christmas message.

Personally and for the ABRI leadership, the PANGAB wished a "Merry Christmas 1992" to all Christians and a "Happy New Year 1993" to all the people of Indonesia.

**Fewer East Java District Chiefs To Come From ABRI**  
*93SE0128B Jakarta ANGKATAN BERSENJATA*  
*in Indonesian 5 Jan 93 p 9*

[Text] Surabaya (ANGKATAN BERSENJATA)—The number of second level region chiefs coming from the ranks of ABRI [Indonesian Armed Forces] is to be gradually reduced, Major General R. Hartono, PANGDAM V [Commander of Military Region V]/Brawijaya, said Saturday [2 January] in Bangkalan, Madura.

Of the 37 chiefs of second level regions in East Java, 21 are now from ABRI, and the rest are civilians.

According to the PANGDAM, conditions in second level regions in this the easternmost province on the Island of Java still require the participation of regional chiefs from ABRI. In harmony with developments in certain second level regions, however, these posts will gradually be given to civilians.

"If the PANGAB [Armed Forces commander] approves, in 1993 there will be two or three posts of district chief or mayor that will be held by civilians instead of ABRI personnel," the PANGDAM said without specifying the second level regions involved.

East Java Governor Soelarlo said some time ago that in 1993 there will be 14 district chiefs and mayors who complete their terms of office and will not be reappointed.

The PANGDAM said that two or three of the ABRI members included in those 14 chiefs will not be replaced by other ABRI personnel.

With regard to the request by several community leaders in Pamekasan District that their two-term civilian chief,

Hidayatoellah, be replaced with an ABRI member, the PANGDAM said such an appointment will be possible.

Their request was based on a desire that development in Pamekasan District be increased to match development in the other three second level regions in Madura, whose chiefs are ABRI personnel.

"A district chief may be an ABRI member or a civilian. It is up to the local DPRD [regional legislature], with the approval of the governor and minister of home affairs, in addition to the PANGAB's approval when ABRI personnel are involved," the PANGDAM said. He added that attention has been given to the wishes of Pamekasan residents.

## ECONOMIC

### Obstacles to Successful Participation in AFTA

93SE0134A Jakarta KOMPAS in Indonesian 2 Jan 93 p 2

[Text] Jakarta (KOMPAS)—Indonesia still faces obstacles as it enters the era of the ASEAN Free Trade Area (AFTA) by the implementation of the CEPT (Common Effective Preferential Tariff) on 1 January 1993. These obstacles include the attitudes of bureaucrats, who always view businessmen as rich and thus seek bribes—the so-called invisible costs. Other obstacles are continuing high interest rates and limited facilities and infrastructure, especially electricity and transportation.

All of these things make it hard for Indonesian goods to compete, since efficient production will continue unrealized unless deregulation is introduced. This is a summary of views gathered by KOMPAS from interviews with businessmen about the ASEAN agreement on implementing AFTA. The businessmen, who are in different provinces, were interviewed separately.

Daryono Kertosastro, chairman of the Indonesian Coffee Exporters Association (AEKI), said in his response to KOMPAS Monday night, 28 December, that the entire bureaucracy must change its mentality in order to face the CEPT, which goes into effect on 1 January 1993 as the mechanism for establishing AFTA. Considering the great size of the problems facing Indonesia, all parties need to be very serious about improving the situation lest Indonesia be left behind by other countries.

Zaini Muhibat, principal director of PT [Limited Company] Iskandar Muda Fertilizer [PIM] in Lhokseumawe (Aceh), which produces urea, said we must be prepared to compete as we enter the AFTA era. Meanwhile, H.M. Aksa Mahmud, a businessman in Eastern Indonesia, said in a separate interview that entrance into this era requires a more intensive renewal of the infrastructure in IBT [Eastern Indonesia]. Aksa also feels that the continuing high interest rates will be an obstacle to bringing efficiency to the cost of production. Palm oil producer Irfan Mutyara stressed that because the efficiency of

Indonesia's palm oil production for export is not as good as Malaysia's, Indonesia will have problems with palm oil in the short term.

### Soaring Costs

According to Daryono, the mentality that must be changed includes the view that businessmen are rich, thus giving rise to the practice of "invisible costs," which in turn produce a high-cost economy. "When we walk into a government office, beginning at the security guard and receptionist, there is just one thought: The businessman is always rich. The result is that as soon as we arrange for permits, costs begin to soar," said East Java's foremost coffee producer.

Daryono said the situations of some main domestic agricultural commodities must be overhauled if they are to compete with other ASEAN countries. It is all related to the lack of cooperation among the parties involved. The research groups, which are always changing their names and for which there is no clarity as to their sponsors or their conclusions, are some of the question marks. "Look, more than 90 percent of our agricultural products are produced by our farmers, but have these groups ever thought about the problems farmers face?" he asked.

Another example is the difficulty Indonesian mangoes have in penetrating the export market. The problem is that, although they taste as good as any, they do not look as good as mangoes from our neighbors Thailand and the Philippines. Through 15 years of research, they have developed a mango that is delicious, of consistent size, with regular harvests, and appealing to the buyer. "Indonesia, however, has never had a research group that thinks about this problem," he said.

Furthermore, people involved in promotion are viewed as not daring to take initiative to introduce our products. "Singapore airlines dares to include tempeh on its flight menu. What about us?" he again asked.

He also noted that although our non-oil-and-gas exports continue to expand, our imports of machinery for industry also continue to rise.

When asked what Indonesia can do in the near term under such conditions, Daryono said we should work hard as we plunge into the CEPT. "We should not be too pessimistic but should look at the situation realistically; and we should begin immediately to improve conditions by giving added value to our domestic raw materials," he asserted.

Viewed from the aspect of potential in both manpower and natural resources, Indonesia has great opportunities for doing well under the CEPT. It now depends on how we use the opportunities.

Specifically, Daryono said, the government needs to support businessmen by, among other things, keeping inflation in single digits, gaining the confidence of the

business world, and relaxing the tight-money conditions that have been difficult for businesses.

#### Cement Ready

Meanwhile, the PT PIM representative said he is not worried about entering the AFTA era, for most of his urea production will continue to be sold domestically. Even in exports, PT PIM is sure of being able to compete on markets open to fellow ASEAN countries.

This was the response of Zaini Muhibat, principal director of PT PIM, in an interview with a KOMPAS correspondent in Lhokseumawe, Aceh, in connection with the final urea bagging on Thursday, 31 December. He said that PT PIM has been supplying 70 percent of its urea products to the domestic market. The rest is exported to ASEAN countries.

Although PT PIM has traditionally depended on domestic sales, it opened itself to the export market in 1985. "There was no reason to be afraid of other ASEAN countries," Zaini said.

He said the domestic price of PT PIM fertilizer, with a government subsidy, is \$75-\$86 per ton, whereas the export price is \$145 per ton. The production cost is \$95 a ton.

Therefore, Zaini said, PT PIM profits depend greatly on government payments. PT PIM offsets losses from subsidized sales, which amount to 252,000 tons, with export sales. As of the end of December 1992, export sales were recorded at 41,396,250,000 rupiah, and domestic sales totaled 78,357,810,000 rupiah. PT PIM's net profits before taxes are projected to be 15,852,794,000 rupiah this year.

Total national production of urea is 3 million tons, of which one-sixth is produced by PT PIM. In 1992, PT PIM turned out 582,097 tons, whereas the target was 570,000 tons. From start of production in 1984 until 31 December 1992, PT PIM produced 4,758,836 tons of urea fertilizer.

As of December 1982, PT PIM had exported 1,052,000 tons of its total production to Cambodia, Japan, Taiwan, Vietnam, and the Philippines. Besides urea, PT PIM also makes ammonia, of which it sold 18,250 tons this year.

#### Interest Rates

Ujungpandang businessman H.M. Aksa Mahmud said to KOMPAS in his office Monday afternoon, 28 December, that other ASEAN countries, particularly Singapore, are more prepared for AFTA. "Our monetary conditions are not yet stable, bank interest is too high, and procedures are still lengthy. All of this creates a high cost of production and thus makes it difficult to compete by price or quality," he said.

He said the ideal interest rate has a 2:1 ratio to the rate of inflation, but the present ratio is still about 5:1, which is too high.

He feels there is a need to renew the infrastructure in IBT, for infrastructure contributes to setting selling prices. Especially for South Sulawesi, he urges that electricity rates for industry be reduced when the Bakaru PLTA [hydroelectric power plant] becomes fully operational. "This is the one thing that South Sulawesi can offer to investors in the industrial sector. Without such an offer, industry will be centered only in Java, since it is cheaper to sell from there," said the largest agricultural exporter in Ujungpandang.

As for the continuing use of bribes, the chairman of GAPENSI [All-Indonesia Association of National Executives] and deputy chairman of the South Sulawesi KADIN [Chamber of Commerce and Industry] commented, "In the business world, we have never enjoyed installation of telephones, water, and electricity at 'list prices'!"

"In 1992, I opened an office in Singapore, where I enjoyed truly cheap, easy, and efficient public utilities," he said. He said he enjoyed a bank interest of only 4 percent per year.

He acknowledged, however, that with the inauguration of AFTA the prospects for Indonesia's processed agricultural products are quite good, as long as there is the willingness to correct shortcomings and add infrastructure.

"Sixty percent of Indonesia's cacao (chocolate) exports comes from South Sulawesi. The problem to be dealt with is the low quality. Because cacao is grown in South Sulawesi by smallholders, the intervention of the government is needed to improve product quality. It should not be left merely to market mechanisms. Frankly, our cacao is used only for mixing with the higher quality cacao of other countries. It is then reexported from Singapore," he explained, citing an example.

He estimated that the cacao production in South Sulawesi this year will be about 120,000 original tons, of which only a portion will be fermented, as needed by foreign markets.

#### Palm Oil Falls Behind

Palm oil producer Irfan Mutyara said that in the short term of about a year, the inauguration of AFTA will bring about disruptions in the price of crude palm oil (CPO), because palm oil from Malaysia is expected to be dominant.

Palm oil is cheaper on the Malaysian market than in Indonesia, because production costs in a country that produces 2.6 million tons a year are relatively low. Although labor costs are high, priority is given to efficiency. For the time being, it will be difficult to compete with Malaysia in palm oil when AFTA is inaugurated.

Although labor costs are low in Indonesia, production costs are high because of the many hidden costs. "The high 'invisible' costs, plus high bank interest rates, keep

palm oil producers from reducing market prices," said Irfan, who is also chairman of the HIPMI [Indonesian Association of Young Businessmen] BPD [Regional Executive Council] for North Sumatra.

He admitted that with the initiation of AFTA, local market prices in Malaysia will be adjusted to Malaysian prices. The positive aspect for Indonesia is that Malaysia and Indonesia must unite to face the free market, particularly markets outside AFTA.

The offer to unite has come from Malaysia, but Indonesia has not responded. Irfan is confident that it is certain to take place, although not in the near future. As AFTA is inaugurated, domestic businessmen are already accustomed to keeping down costs by seeking more efficient alternatives, but the government must help businessmen by reducing the administrative costs incurred for exports.

If this is not done, Indonesia will find it difficult under AFTA to compete with Malaysia, the Philippines, and some other palm oil producers. It will even be hard for Indonesia to penetrate the palm oil market in Thailand, where palm oil prices are very high, 30-50 percent more than domestic prices, because Malaysia probably anticipated the situation very early.

Moreover, the Malaysian Government strongly supports its businessmen by providing sales credits for three to six months. In Indonesia, however, because bank interest rates are very high, competition with Malaysia will require spurring oil palm cultivation through the PBSN (National Large-Scale Oil Palm Estate) or PIR (Smallholder Nuclear Estate) systems.

#### **Foreign Minister Describes Department's Plans**

*93SE0119B Jakarta BISNIS INDONESIA in Indonesian 5 Jan 93 p 16*

[Text] Jakarta (BISNIS)—Foreign Minister Ali Alatas says the Department of Foreign Affairs will help with efforts to expand nonoil exports, investments, and trade and will establish agreements with friendly countries on avoiding double taxation.

These increased efforts will be marked by maximum use of bilateral talks to discuss a variety of economic problems, he said.

The foreign minister said this in a conference with representatives of the foreign and domestic press at the Department of Foreign Affairs, Palembang. Present on the occasion were representatives of all echelons of the Department of Foreign Affairs, officials of the Department of Information and related agencies, and reporters from Indonesia and abroad.

This year, he added, talks on avoiding double taxation will be held with Luxembourg, Mauritius, the Russian Federation, Romania, Kuwait, Brunei Darussalam, Bahrain, Jamaica, Algeria, and Sri Lanka.

Talks on investment guarantee agreements will be held with Spain, Canada, Austria, Romania, the PRC, Thailand, the Russian Federation, Argentina, and Peru. Consultations on communications will be held with Kuwait, Oman, New Zealand, Turkey, Jordan, the PRC, and Italy. In addition, there will be Joint Commission meetings with Finland, Saudi Arabia, Egypt, the Russian Federation, Pakistan, and Malaysia.

"Besides bilateral discussions, there will also be a multilateral meeting from 5 to 7 April to discuss the modalities of increasing South-South cooperation. The meeting will be held in Jakarta as one of the follow-ups to the 10th Nonaligned Summit Conference.

Ali Alatas also predicted that international political and economic developments in 1993 will continue as a transition process with many ups and downs. The process will be attended by basic trends that sometimes will reverse themselves, and its outcome is difficult to guess.

#### **Parliament Member Concerned About Rice Surplus**

*93SE0119C Jakarta BISNIS INDONESIA in Indonesian 2 Jan 93 p 5*

[Text] Jakarta (BISNIS)—Imam Churmen, deputy chairman of DPR [Parliament] Commission IV, believes the government needs to resolve the problem of surplus rice, lest it become a burden to farmers.

"In 1992, BULOG [Logistics Board] was able to buy only 5 to 10 percent of total production at the basic price, and 1993 purchases may be even smaller," he said.

He said this Thursday, 31 December, in response to reporters' questions about Minister of Agriculture Wardoyo's statement that the rice surplus this year is expected to reach 5 million tons. If this increased rice production is added to the surplus of approximately 1 million tons from last year, the total surplus will be 6 million tons.

Rice reserves in such quantity, Churmen said, become a problem and even a burden. This is especially so now that BULOG does not any longer get allocations of funds but must use high-interest commercial credit.

The people's delegate from the F-PP [Development Unity Faction], who just returned from a visit to Central Sulawesi, explained that Pulau [as published] alone has a production surplus of about 70,000 tons, while there may be a concentration of more than 300,000 tons throughout South Sulawesi. This is also true of other areas, including Java.

"What can that rice be used for? It is hard to export it, since the price of rice in Indonesia is too high. If it is stored too long, it will be ruined," he said.

Meanwhile, farmers are urging that BULOG conduct buying operations despite the declining prices. The basic price of unhulled rice is now 330 to 340 rupiah per

kilogram, while the price of hulled rice is 540 to 550 per kilogram. In certain areas, the price of rice is 450 to 400 [as published] rupiah per kilogram.

Imam Churmen said that to resolve this matter thought should be given to building village rice barns to store harvest surpluses so as not to burden BULOG excessively. This year alone, the harvest is expected to produce 32 million tons of unhulled rice.

Although rice production is high, postharvest losses nationally are still high, i.e., 21 percent. To deal with these great losses, he recommends that the creation of new rice paddies be stopped temporarily and that the funds be used to get equipment needed to reduce post-harvest losses.

#### Government Regulation

Imam Churmen urged the government immediately to issue regulations for implementing Law No. 12/1992 Regarding Crop Cultivation Systems. Article 5 of the law articulates the government's interests, while Article 6 expresses the interests of farmers. In that article, farmers are declared to have the right to plant any crop they choose.

"Therefore, the issuance of government regulations implementing the law will be in the interests of both government and farmers," Imam Churmen said.

He also urged the government to issue regulations implementing Law No. 5/1990 Regarding Natural Resource and Ecosystem Conservation, to revise Law No. 3/1972 Regarding Transmigration, and to submit draft legislation on conservation of land and water.

"In the next working meeting with the minister, I will bring up the situation of farmers and urge issuance of the government regulations and the new draft legislation," Imam Churmen declared.

#### Problems, Prospects of Jakarta Stock Exchange

93SE0119A Jakarta *BISNIS INDONESIA*  
in Indonesian 6 Jan 93 p 4

[Article by Indra Safitri, stockbroker with PT (Limited Company) Sigma Batara: "1993, Final Test of the Indonesian Capital Market"]

[Text] Leaving 1992 behind has a special meaning for the Indonesian stock exchange. Things that happened in 1992 appear to have made everyone—the government, market managers, stock issuers, capital guarantors, and other market participants—realize how hard it is to protect and expand an economic tool (the capital market) in the midst of the competition and developments that mark this decade of economic globalization.

It is indeed not easy to make the Indonesian stock exchange into a "leading indicator" on the Indonesian economic chessboard. It needs support in the form of mechanisms and regulations that are consistent with

each other. We must not forget, either, to accommodate international principles that are applied to the larger and more modern stock exchanges.

We should reflect on some things that happened in 1992 and on the challenges facing the stock exchange in 1993. These things are an inseparable part of the process of cultivating a modern capital market system.

#### Privatization of the Stock Exchange

For the Indonesian stock exchange, 1992 was a period of modernization through the privatization of the Jakarta Stock Exchange (BEJ). The birth of the private market in Jakarta came after a long process, after which Hasan Zen Mahmud was selected as the top manager. He then adopted almost the entire system, components, and human resources that previously existed under BAPEPAM [Capital Market Executive Board].

Challenge after challenge marked the first decade of the BEJ. Struggles among the interests of the various market participants prompted issuance of technical rules, including those regulating annual fees and "delisting," and these rules were themselves challenged. Because private investors deemed the privatization of the market to be a positive thing, the index shot up to 331,057 by midyear.

If the privatization process is considered a first step in the modernization of the stock exchange, leading to mobility and effectiveness that encourage more and more investors to make direct investments, there is hope for PT [Limited Company] BEJ. There are, however, internal and external obstacles to things that should make PT BEJ more independent and aggressive in promoting the stock exchange in Jakarta.

The internal obstacle is the inconsistency that exists between regulations and policies and the technical aspects that develop rapidly on the floor of the exchange. External factors generally relate more to competition with the stock exchanges in the Asia Pacific region, which already had facilities and trading systems that suit the interests of foreign investors.

One problem to market managers in both PT BEJ and PT BES [Surabaya Stock Exchange] is the very limited number of people who can provide service on an international level. Without disregarding the work of my colleagues in market management, it must be said that professional personnel will be the key to creating a successful modern trading mechanism in the future. Training programs and working visits to international exchanges would greatly help to create a professional market that can be depended on to create and administer trading.

During 1992, the status of the market as a legal entity was tested in several ways as to the effectiveness of regulations and the implications of the technical rules that were issued. The market managers' status as a limited company (PT) made each action taken toward a

third party subject to legal conflict. The legal struggle now going on between PT BEJ and PT Hotel Prapatan (a public company) is one of the effects of the "conflicting interests" that are developing among the participants in the Indonesian capital market.

The PT status of the market management gives legal responsibility to third parties that are directly or indirectly the objects of decisions made by PT management. Thus, privatization should also create a legal structure to afford protection and opportunity for stock exchange participants. Up to now, the consolidation of rules developed by market managers is based on higher legal provisions, whether laws, presidential decrees, ministerial directives, or directives by the BAPEPAM chairman.

The lack of harmony between decisions made by market managers and the interests of stock exchange participants demonstrate pressing need for more complete legal regulation. So far, when someone sues PT BEJ (or PT BES, for that matter), there is not one law that gives a stronger foundation to the status of market management, nor does the market management even have a law on limited companies.

For example, assume for a moment that PT BEJ or PT BES loses a case in court. This could occur simply because of inadequate legal foundation for the type of PT that manages the stock exchange (let alone consider that the management does not even have a law on limited companies). Nevertheless, certain firm actions taken by PT BEJ involving cases of issuers, such as PT Hotel Prapatan or PT Minindo, have given another color to the existence and status of market managers.

It is regrettable that in 1992 the privatization process was not accompanied by the development and provision of other trading facilities, such as computerization or modernization of settlements. The result is that the target of creating an efficient stock exchange that provides a high and even degree of liquidity on each transaction board must still wait.

Nevertheless, the strength of a privatized exchange is found in the ability of exchange managers to accommodate all the interests of capital market participants within a single dynamic market mechanism and to give incentives to investors to put their money in shares recorded on the exchange. It is hoped that through privatization of PT BEJ and PT BES, flexibility and ability to anticipate quickly demands that are "fair" will be rapidly created. Development of an "instinct" for mining the potential of the market is the main challenge for each exchange manager.

The year 1992 brought many new trading facilities and instruments to the floor of the exchange. For example, the facilities for "nonregular" trading, "self-closing" trading, board transactions for foreign portions, cash markets, and "rights" trading gave exchange participants alternatives for creating liquidity, while simultaneously overcoming the inflexible trading of the past. The changes the BEJ made in trading "points," reducing

them from the previous 50 rupiah to 25 rupiah eliminated excessive fluctuation in stock prices. These trading facilities are examples of the effects of privatizing the Indonesian capital market.

#### Elections and Government Commitment

Views presented by big investors, especially fund managers who watch stock exchange developments in Indonesia, show a realization that the Indonesian capital market has great potential and is very attractive as a place for investment, especially when linked to the commitments made by the government through issuing laws on pension funds and banking. The connection between these creates new demand on the exchange floor. The commitment to prepare immediately a new framework of laws to replace the capital market law also gives great hopes to investors.

When the government issued the law on pension funds, the positive reaction to the existence of regulations requiring the investment of pension funds was concentrated on the capital market. Then, other revitalizing factors that motivated investors to buy more bank stocks were produced by the law on banking, which permits foreign investors to buy as much as 49 percent of a bank's stock. The fact that the combined stock price index reached the 300 point and held from about the middle of June until August 1992 showed the strong buying position at that time. Many observers are sure the exchange index will move above 320 by the end of the year. An indication that political stability and the government's positive commitment to continuous capital market development will be an attraction to capital was the fact the trading skyrocketed when GOLKAR [Functional Group] won the general election.

Despite GOLKAR's victory, several laws that inspired hopes for new demand were not supported by a commitment from the government in the form of immediate issuance of technical regulations. The result was a sagging of investment enthusiasm. Nevertheless, both local and foreign owners of capital demonstrated their positive commitment through a gratifying increase in allocation of funds to the stock exchange. Coincident with the birthday anniversary of the Department of Finance, at the beginning of November the government presented a year-end gift to exchange participants in the form of implementation instructions for the banking law, which made the exchange even more attractive. The hunt for bank stock by foreign investors and purchase orders from foreigners put the trading floor into an uproar and brought "capital gains" to local investors. This showed the effect that a government commitment has on stock exchange developments.

#### Cases in 1992

Cases involving the behavior of stock issuers marked the stock exchange in 1992. These included waves of acquisition that hit several issuers on the exchange floor, which proved to be a trend during the year. The first

wave came when the Lippo and Indocement groups conducted internal acquisition processes. The steps they took represented brilliant business foresight, despite negative comments prompted by the concerns of minority stockholders. These events ultimately made the government realize that regulations on internal acquisitions by public companies require a legal framework to avoid hurting the interests of minority stockholders.

The concept that public companies operate on a principle of openness, or transparency of information, must be adhered to by exchange participants. This is especially true of issuers, who must consistently follow such a principle of openness. It is not uncommon, however, for public companies to incur fines for tardiness in issuing financial reports.

The year 1992 was apparently a period for learning to respect the openness of information to the public. BAPEPAM's role in exercising government control of the actions of exchange participants was tested. One of the tests involved the case befalling PT Minindo, in which parties unwilling to abide by contract law had to accept the consequences. The actions taken by BAPEPAM and PT BEJ were steps that will serve as legal precedents for similar cases in the future.

In the end, the series of things suffered by PT Hotel Prapatan opened people's eyes to the fact that "takeovers" through the stock exchange can happen to other stock issuers. It began with a family feud and finally brought in other parties to take positions in the conflict. It started with a big transaction for shares in the hotel, a valid prologue to the entrance of majority stockholders into management of PT Hotel Prapatan. The fundamental thing about this case is that it is a reminder to other exchange participants of the importance of firm action and legal authority by the capital market, where BAPEPAM's oversight of the behavior of stock issuers is very important. The climax of the PT Hotel Prapatan case was a decision to stop trading in the company's shares. The losers (Who else but the minority stockholders?) will have to wait who knows how long.

The year 1992 was a year of family tragedy with its long struggle to resolve the Bank Summa issue, which drew the "blue chip" PT Astra Internasional into the depths of uncertainty. The ongoing Astra case has been a serious psychological blow to the capital market, although the portfolio positions or values of shareholdings of any minority stockholders who have bought the stock of Om Willem [William Soeryadjaya] will not be affected very much. The size of Astra's market capitalization makes the combined stock price index fall when Astra's stock prices decline, but the important thing now is how to resolve and transform the problem without hurting the confidence of stockholders.

### Challenges in 1993

It is predicted that big burdens will continue to challenge the Indonesian stock exchange in 1993. What happened in 1992 will continue to be "homework" for everyone

with interests in the Indonesian capital market. First, the Department of Finance or BAPEPAM must issue the regulations needed by the capital market. Regulations implementing the capital market law, which will be a foundation for the future modernization of the capital market, are absolutely necessary. These regulations will be legal provisions at a lower level than laws and will involve investment rules for pension funds, trust funds, or other types of instruments for accumulating local or foreign investments.

Local investors who "play" with stock are generally passive stockholders such as financial institutions, which include insurance companies, pension funds, or investment organizations. Most passive stockholders have been trapped by ownership of shares that cannot be liquidated, thus making it difficult for them to change their portfolios or add stocks that look better on the exchange. When the passive stockholders are government bodies, the bureaucracy factor keeps them from making rapid decisions. Now that there are laws on insurance, pension funds, and banking, the regulations that implement these laws will give freedom of movement to fund managers who adhere to norms and principles of the capital market.

Confidence in a secure, profitable, and liquid capital market is the key to a successful comeback by local stockholders. Legal certainty for the resolution of scandals on the exchange, revision of the share registration system, liquidity of "odd lot" trades, protection of minority stockholders, and fair and cheap stock offering prices are some of the important factors that must be dealt with in the coming year if individual stockholders are to return in numbers to the exchange floor.

For foreign investors, 1993 will be the ultimate test of whether the Indonesian capital market can keep its credibility as an emerging market. So far, the investment priority of Indonesia's capital market is lower than that of Malaysia and Thailand, but Indonesia's market is still counted as one with stocks at low ratios (about 13). The "bearish" conditions that occurred in 1992 are looked on as only temporary and are viewed as results of Indonesian economic policies related to privatization and market modernization and to economic recovery in Indonesia's trade partner countries. Furthermore, legal certainty on the capital market will prompt foreign investors to move their funds to Indonesia. Also, choices made by foreign investors in Southeast Asia are much influenced by world capital market conditions. Stock prices on Wall Street are considered too high, and the European market is affected by slow economic growth. The Japanese market is sluggish, and Hong Kong is haunted by tension between Britain and China. Therefore, the choices in 1993 will be the markets in Malaysia, Taiwan, China, and, of course, Indonesia.

The government should give an immediate positive response to developments surrounding the issuance of bonds. Why? The capital market does not consist only of stocks (equity), for stocks are also paired with bonds.

Aspirations for a secondary bond market need the full support of the government, and the government's first step should be the preparation of an integrated legal framework that would give legal certainty to every bond issue. When government banks (BAPINDO [State Trading Bank] and BTN [State Savings Bank]) issued bonds, PLN [State Electricity Corporation] followed. TELKOM [Telecommunications Corporation] also plans to make the top bond market busier. These are in addition to the bonds of private companies. Therefore, the government's immediate commitment to a legal framework is eagerly awaited.

The hope of having a capital market equal to other markets in the world will be realized only if market participants are supported by the government's consistent application of policy. In this way, 1993 will be the trigger for waking the sleeping dragon. Thus, the capital market will be an economic instrument that can be depended upon as we face PJPT II [Second Long-Term Development Phase].

#### **PERTAMINA Seeking Better Incentives for Contractors**

93SE0135B Jakarta SUARA PEMBARUAN  
in Indonesian 22 Jan 93 p 4

[Text] PERTAMINA [National Gas and Petroleum Mining] is now seeking input from foreign oil and gas contractors about the kinds of incentives which will best encourage investors to explore and produce Indonesian oil and natural gas.

Dr. Faisal Abda'oe, managing general of PERTAMINA, made this statement yesterday in response to questions from reporters after dedicating the first producing field of the PERTAMINA-Trend Salawati Joint Operation Body (JOB) in Sorong, Irian Jaya. Barnabas Suebu, S.H. [Master of Laws], the governor of Irian Jaya, and members of Irian Jaya's MUSPIDA [the council of provincial officials] were also present on that occasion.

He said that this was also important for increasing the number of future investors in that sector. So, it is quite possible that the government will provide better incentives for oil and gas contractors.

Even so, the managing director said, PERTAMINA will not issue a new incentive package in the near future since the September 1992 package is still considered a good one.

JOB is a form of cooperation in the field of exploration and production in which there is a 50 percent share for the Production Sharing Contractor (KPS) and a 50 percent share for PERTAMINA. The newly dedicated field is the first JOB in the eastern part of Indonesia; it has an investment of \$60 million.

Abda'oe said the incentive package just issued by PERTAMINA in September 1992 is a very good one and is better than that offered by other countries. "But we want

to know what investors want," he said. He added that it was possible that the government will offer better incentives in order to increase the number of investors exploring for oil and gas in Indonesia, especially in the frontier areas on the borders with other countries.

He explained that in the upcoming PJPT [expansion unknown] II PERTAMINA will face increasingly difficult challenges, especially in the areas of exploration and production, since its operations are heading toward frontier areas and the deep sea, which are largely located in the eastern part of Indonesia.

"To anticipate these challenges, the government is making every effort to create new opportunities and policies, so that oil and natural gas activities can develop in a competitive and interesting business climate," said PERTAMINA's managing director.

These government policies, he said, have been put in the form of an incentive package which will stimulate investor interest in seeking and producing oil and gas in frontier areas and the deep seas, in an effort to increase oil and gas reserves in the next century.

Under the formula issued in September 1992, he said, the government is stimulating contractor interest by taking new steps in the field of oil and gas; they are aware that there is a lot of oil and gas in Indonesia, which will continue to be exploited to the maximum. "That is why both the spectrum and exploitation of oil and gas, both for internal needs and for export, are continuing to increase," he said.

He added that now at the beginning of 1993 there are three KPSs which will sign new oil and gas exploration contracts. At the moment there are also 20 oil and gas exploration sites being put up for bids; two of them are in the eastern part of Indonesia.

Indonesia, said Abda'oe, must always be optimistic that its oil and gas sector will continue to make its contribution in the upcoming PJPT II. That is why exploration and seismic research must continue since they are part of the efforts being made to seek new prospects.

In addition, some old areas and oil fields have succeeded in lifting production from their old wells again by careful treatment and by the application of new technologies. "This increases our conviction that the next generation will continue to obtain and exploit our oil and gas potential," he said.

The JOB contract between PERTAMINA and Trend Kepala Burung Limited was signed on 23 April 1990; it has an operating area of 4,400 km<sup>2</sup>, which covers the land and offshore areas of the island of Selawati, Sorong, Irian Jaya. It is hoped that this oil field will have a peak production of 10,000 barrels a day by 1995. At the present time production is only 1,600 barrels a day. It is estimated that reserves will reach 5 million barrels a day.

Engineer Haryono, head of PERTAMINA's Area V Exploration and Production Unit, said that the first

exploratory well (Well SEO-IX) was drilled on 22 June 1991 and that oil was discovered. The second and third drilling also succeeded in producing oil.

Calculations of reserves and an evaluation of the three wells have shown that the SEO structure is worth developing.

"With plans to drill 25 development wells, a peak production of 10,000 barrels a day will be achieved in 1995. Plans are to drill eight development wells this year," said Haryono.

### Minister Says Agroindustry Important Factor

93SE0136A Jakarta SUARA PEMBARUAN  
in Indonesian 26 Jan 93 pp 1, 16

[Text] Jakarta, 26 January—Minister of Finance J. B. Sumarlin has said that development activity focussed on agroindustry is very relevant to present and future stages of Indonesian development because that is where the flow of industrialization and of agricultural development meet. Furthermore, agroindustrial activity is a fertile field for the growth of new business undertakings involving the use of appropriate technology.

Sumarlin said at a workshop on the Operational Strategy of Capital Investment in Agroindustrial Business, held in Jakarta on 26 January: "In my view, 'industrializing agriculture' is indeed a very important part of the overall industrialization effort which we are now making and which we will continue to make in the future."

The workshop, which will continue until 11 February, is being sponsored by the Center for Information and Development Studies (CIDES) and the Research Board of the ICMI [expansion unknown], in cooperation with the Center for the Development of Agrobusiness and ULUMUL QUR'AN and JURNAL ILMU DAN KEBUDAYAAN.

The minister of finance said that from the macroeconomic point of view the agroindustrial sector has great potential for the development of "linkages" between the industrial and the agricultural sectors for the growth of new industrial activities which have solid roots planted deep in the social and economic structure of Indonesia.

This activity will also create greater added value for agricultural products and new employment opportunities for the steadily growing work force.

Sumarlin said: "In short, the agroindustrial sector is an area of development which is wide open for us to innovate, to take initiatives, and to build." In the framework of this agroindustrial development he said that one aspect which needs to be considered concerns the system of financing it. In this connection he warned that the effort to develop sources and a system of finance for agroindustry and agrobusiness must fit in with and be a part of the process of developing sources and a system of finance for all productive activity in all sectors which support development.

He said that among the basic principles affecting the strategy of financing development are efficiency, productivity, and "cost effectiveness." These principles must always be considered and applied in using available funds. This is because existing development funds are always scarce. The funds needed are always greater than those which are available.

He added that in the near future the problem of limitations on funds will be increasingly felt. For that reason the use of such funds must be considered carefully. He said: "This does not mean that we will only give priority to projects which bring a return in a short period of time and ignore projects whose results can only be realized over the long term."

However, the principles of efficiency, productivity, and "cost effectiveness" only mean that every rupiah or dollar which we succeed in making available to finance development must be used as well as possible for projects which are of the greatest utility.

One subject which he mentioned is that in financing development we must avoid "inflationary" effects. He said that the policy of financing development must be implemented in ways which continue to promote economic stability. This means that whatever we do and however great our desire to implement development projects as quickly as possible or speed up development, consideration must continue to be given to the impact on economic stability. For if economic stability is disturbed, all of our plans to develop projects will fail to become realities, and the burden of this economic instability will fall on the mass of the people.

Therefore, project financing cannot be arranged in ways which carry the risk of disturbing economic stability, particularly price stability and our balance of payments.

He said that "non inflationary" ways of financing projects mean that we must limit the financing of projects by providing credit on easy terms. This is because credit of this kind increases the amount of money in circulation, since the money comes directly from the central bank. This creates inflationary pressures and makes it more difficult to implement monetary policy.

He said that "non inflationary" financing involves resources obtained from the people themselves, including savings accounts, pension funds, and the capital market.

In this connection he declared that the government will not issue bonds to finance development, because if this is done, it will draw funds from the people, with the result that the private sector will not be able to obtain funds to carry out its projects. If this happens, everyone will lose.

**Eight-Year Outlook of LNG Production***93SE0135A Jakarta SUARA PEMBARUAN  
in Indonesian 28 Jan 93 p 4*

[Text] If new reserves are not discovered, sources of natural gas for the Arun LNG (liquified natural gas) refinery in Lhok Seumawe, Aceh will start to run low in eight years.

"If no new reserves are discovered, LNG production will decline and will be finished in the following years," said Engineer Indra Kartasasmita, deputy president director of Arun NGL [Natural Gas Liquids], Co., Inc., in response to questions from reporters yesterday after a celebration of the 2000th shipment of LNG exported from Lhok Seumawe, Aceh. Dr. Engineer Tabrani Ismail, PERTAMINA's [National Gas and Petroleum Mining] director of processing, representing Faisal Abda'oe, PERTAMINA's managing director, was also present on this occasion.

He said that Mobil Oil, PERTAMINA's Production Sharing Contractor (KPS), which supplies the LNG refinery with natural gas, is continuing to look for new reserves. "Asamera and North Sumatra Oil (NSO) are also actively seeking new natural gas reserves," he said.

Indra said that the disposition of the overflowing sources of natural gas in the Natuna Archipelago, Riau Province, is up to the government. "We would be very happy if gas from Natuna was piped to this refinery," he said.

However, Tabrani explained that Exxon will explore for and exploit natural gas in Natuna and will construct an LNG refinery on an island in the Natuna area. He admitted that it would be very difficult and would require a lot of capital to construct a pipeline from Natuna to Aceh.

After conferring for a long time, PERTAMINA has finally agreed in principle that Exxon will produce the gas and construct a refinery in that area. The difficult part of the discussions was the allocation of percentages to the other KPSs. This is because the methane gas in Natuna contains large amounts of CO<sub>2</sub>, which is hard to remove. However, Tabrani has not revealed how much of a split Exxon is getting. "The Memorandum of Understanding (MOU) has not been signed yet, so I can't say what it is now," he said.

**Six Billion Dollars**

He said that a project such as the one proposed by Exxon would cost from 16 to 19 billion dollars. This figure includes exploration, production of natural gas, removal of the CO<sub>2</sub>, getting rid of it, constructing an LNG refinery with six trains, and so forth.

He thinks that constructing a six-train refinery now will not require an investment of more than six billion dollars. Indonesia already has two six-train LNG refineries, one in Bontang, East Kalimantan, and one in Arun.

Tabrani explained that even if Arun, Inc. decreases production, Indonesia's LNG exports will not decline and deliveries will be hindered [as published]; on the contrary, they will increase because of the newly built LNG refinery and because there will still be a 5.5-year period of time for meeting the demands of the ever-increasing world market.

What will happen to the Arun refinery, which now employs 2055 people and has produced so much foreign exchange for the country? All of its LNG production is exported. Tabrani said that it is hoped that new natural gas reserves will be found and that the Arun refinery will be a supplier of condensate for the Arun Aromatic Center.

One must realize that Arun, Inc. also produces condensate or light crude, which can be raw material for the Arun Aromatic Center. "We are also continuing to look for natural gas reserves in the Aceh region," he said.

Conoco is another KPS which will exploit gas in Natuna, but that gas will be sent via pipeline to Singapore.

**Exports**

The Arun LNG refinery exported 2000 shipments of LNG between 4 October 1978 and 27 January 1993; each ship has a capacity of 125,000 cubic meters. As of 27 January 1993 the Bontang refinery exported 1,819 shiploads of LNG.

Indra said that the cumulative price of the LNG for the 2000th ship destined for Futsu, Japan was \$6.8 million.

This 2000th shipment could be accomplished at this time because the Arun refinery is now operating at 34 percent above the initial planned capacity without the addition of any primary equipment to the refinery. Indra said that increasing the refinery's capacity is equivalent to constructing two new LNG refinery trains, each of which costs about \$400 million; whereas the cost of increasing the capacity of the Arun LNG refinery has only been about \$110 million.

If there had been no increase in the capacity of the Arun refinery or if it had not succeeded, the celebration of the 2000th shipment of LNG would not have taken place until February 1994, he said.

**Minister Comments on Mobile Telephones, No Monopoly***93SE0136B Jakarta SUARA PEMBARUAN  
in Indonesian 28 Jan 93 p 4*

[Text] Jakarta, 28 January—Minister of Tourism, Posts, and Telecommunications Soesilo Soedarman has stated that standards for the sale of mobile telephones at present do not contemplate treating them as a monopoly. The sale of mobile telephone equipment is not being handled by a single company. Indeed, sales are also being

handled by INTI [PT [Limited Company] Industri Telekomunikasi Indonesia—Indonesian Telecommunications Company], which is a state owned company (BUMN).

Soesilo made this statement when he was answering questions from a SUARA PEMBARUAN representative after he presided over the official opening of International Switching Center (SGI) 1B in the Ancol area of Jakarta, which is the property of PT Indosat [Indonesian Satellite Company], and 15 Automatic Telephone Centers (STO) belonging to PT Telkom in Jakarta. He said: "It is not true. There is no monopoly on mobile telephones."

Soesilo admitted that the number of brands of mobile telephones which may be distributed in Indonesia has been limited deliberately. Of course, there is also a limit on the number of companies which have the right to distribute them. He declared: "But make no mistake about it. The limitation on the number of brands of mobile telephones is to ensure quality, so that the industry can be properly regulated."

Previously, Soesilo was asked why the sale of mobile telephones was only being handled by a few companies. As a result, the price of mobile telephones in Indonesia is the highest in the world. Soesilo said: "Now, regarding that, we like to compare prices in Indonesia with prices in other countries. Why do you journalists not write that coin telephones in Indonesia are the cheapest in the world?"

As is known, on 15 January Soesilo ordered a reduction in the price of movable telephones. Movable telephones, which originally cost 10 million rupiahs each, now cost six million rupiahs each. The price of portable telephones fell from six million to four million rupiahs, and the price of mobile telephones fell from 2,458,750 rupiahs to two million rupiahs. 373 However, these prices are only for telephone units themselves. They do not include the cost of connecting them. A movable telephone system indeed is a monopoly of PT Telkom, which is a state-owned company designated by the government to provide domestic telecommunications service. However, the sale of telephone equipment is in the hands of private companies. The price of movable telephones in Indonesia, on the average, is four times what it is in Singapore.

#### SGI and STO

The SGI which Soesilo has just officially inaugurated is the fourth center belonging to PT Indosat, following the opening of SGI 1A in the Gambir area of Jakarta, SGI 2 in Medan [North Sumatra], and SGI 3 in Batam [Riau]. PT Indosat itself is a state-owned company which has been given authority to manage Indonesian international telephonic communications. At present PT Indosat already has international direct dialing (SLI) arrangements with 197 countries.

Meanwhile, there are about 150,000 telephones in Indonesia subscribing to the SLI system. These are counted as

150,000 telephone connection units (SST's). Tjahjono Soerjodibroto, managing director of PT Indosat, said, "By the end of 1993 we hope to have about 200,000 SST's." In 1991 the income of PT Indosat amounted to about 573 billion rupiahs. This income was divided in two, with 35 percent going to PT Telkom (as the line manager) and 65 percent to PT Indosat.

The Automatic Telephone Centers officially opened by Soesilo, which are operated by Telephone Region IV, Jakarta, have a capacity of 115,000 SST's. Jakarta has 855,561 SST's, or 10.01 SST's for every 100 people. By the end of the Fifth Five-Year Plan it is planned for Jakarta to have 1,812,694 SST's, or 17.5 SST's for every 100 people.

However, Soesilo said that when we compare SST's in terms of the number of people in Jakarta, we are far behind neighboring countries. Bangkok (Thailand) now has 20.6 SST's for every 100 people; Singapore has 39 SST's for every 100 people, and Kuala Lumpur has 19 SST's for every 100 people.

#### Palapa C-1

In answer to a question from a SUARA PEMBARUAN representative Soesilo made the following comment regarding the government policy of bringing the private sector in to manage the future Palapa C-1 Satellite. Behind this decision was the existence of limitations on the government (in this case, PT Telkom). Soesilo said: "By inviting the private sector to handle this matter, funds from the community as a whole can be used, while, for its part, PT Telkom can hold down its total, outstanding debt."

Under present plans for the launch in 1995 of the Domestic Satellite Communications System (SKSD), using the Palapa C-1 3n3 satellite, the government will set up a mixed venture between a privately owned, Indonesian company and PT Telkom and PT Indosat, two state-owned companies which come under the Department of Tourism, Posts, and Telecommunications. The private Indonesian company will hold 60 percent of the stock in the mixed venture; PT Telkom, 30 percent; and PT Indosat, 10 percent.

Setyanto P. Santosa, managing director of PT Telkom, who was interviewed on the same occasion, said that the Palapa C-1 satellite will be launched in 1995 at a cost of \$300 million (about 600 billion rupiahs). This figure includes the cost of manufacturing the satellite, launching it, and paying the related insurance premium on it.

The process of inviting bids for the manufacture of the Palapa C-1 satellite is now under way, with two American companies involved. Bids from the two companies are now being considered by the coordinating minister for economics, finance, industry, and development supervision. The name of the winner of the competition

will be made public at the end of February. It is hoped that by the beginning of March the contract for the manufacture of the Palapa C-1 satellite will have been let.

### **Labor May Become Threat to Development**

93SE0137B Jakarta KOMPAS in Indonesian 2 Jan 93 p 14

[Text] Bandung, KOMPAS—If labor problems in Indonesia are not quickly resolved, using existing laws and regulations, in the future these problems will become a serious threat for the continuation of the national development program. For that reason all provisions of labor law should be applied in a consistent and responsible way, so that all labor disputes can be resolved.

This was stated by Husen Basarah, chairman of the West Java branch of the All Indonesian Workers' Union (SPSI) in an interview on 30 December with a KOMPAS representative in Bandung [West Java]. If labor problems cannot be successfully resolved, the progress of the national development program will deteriorate. He said: "Concerns about the handling of labor problems can easily be used by other groups which want to promote unrest."

According to Husen, one labor problem which is close to the surface involves wages. Strikes by workers often take place, particularly in Bogor, Tangerang, and Bekasi. In that connection the role of the SPSI unit in every workshop is very important to provide a bridge between the aspirations of the workers and the desires of the company concerned.

Husen added that it is ironic that, up to now, there are still many companies which are not aware of the importance of SPSI's existence. It is only when there is a strike that the company involved asks for help from the SPSI and the security authorities in resolving the matter. He said: "Up to now only about 35 percent of the companies in West Java have an SPSI local union."

### **Barometer of Indonesian Manpower**

Husen added that labor conditions in West Java can become a barometer for Indonesian manpower (TKI). This is because almost 60 percent of Indonesian industry is in West Java. The various disputes involving the workers which occur in West Java always have a national impact. For that reason West Java has the potential for being used by other groups with questionable intentions. 373

Husen did not deny that there had been side effects to labor disputes because these problems were not resolved in the best way possible. In some cases there are some unclear aspects, with the result that different views arise. For example, it was not clear whether provisions concerning allowances affected the length of time worked, wives, and so forth.

According to Husen, employee insurance programs up to now have provided allowances for senior citizens (THT)

who were 55 years of age and older. If a worker quit his or her job or was fired before reaching 55, the right to obtain these senior citizen allowances has not been recognized. He said: "This problem should be considered under employee insurance programs to obtain senior citizen allowances for workers who quit their jobs before they are 55."

### **Paper Reports on Labor Status**

93SE0137A Jakarta KOMPAS in Indonesian 2 Jan 93 p 2

[Text] At the end of 1992 many officials tried to say how successful was the development sector which they were responsible for. They pointed to statistics which made a rather significant impression. For example, every year the industrial sector has reflected a growth of about 13 percent; the mining and oil and natural gas sector, 6.8 percent; the commercial sector, 5.7 percent; the banking and financial institutions sector, 15.2 percent; the government and defense sector, 7.4 percent; and the agricultural sector, 3.2 percent.

So what was the situation in the manpower sector?

As of the end of 1992 or the end of the Fifth Five-Year Plan, which still has a few months to run, manpower problems still continue to have a deceptive appearance.

Data from the Department of Manpower state that every year there are about 2.4 million new workers coming into the labor force. Meanwhile, there are only about 500,000 new job openings available. This means that every year there is a surplus of about 1.9 million new workers.

This figure continues to grow every year. At the end of the Fifth 5-Year Plan there will be 11.9 million workers needing jobs. This number will increase to 12.9 million workers during the Sixth Five-Year Plan and to 13.7 million workers during the forthcoming Seventh Five-Year Plan.

According to the Department of Manpower, out of the 11.9 million people needing jobs at the end of the present, Fifth Five-Year Plan, only a relatively small number, about 2.4 million workers (3.17 percent of the work force) have truly lost their jobs. On the other hand apparently unemployed workers, that is, those who work less than 35 hours per week, on the average, amount to 44.4 percent of the work force. A majority of them are "hidden" in the agricultural sector, which is labor intensive and inefficient.

Indeed, it is very ironic that during this period of development, which has continued through five, five-year plans, the number of persons entering the work force and needing jobs continues to 373 increase.

However, what is even more interesting is that it is specifically in other areas that job openings and business opportunities are open which cannot be filled by the

workers presently available. As a result the business firms or industries which need to have skilled workers are forced to "import" foreign workers under a contract system and, of course, at high cost. Among other areas this happens in the banking, construction, petroleum and natural gas, and other sectors.

There are other cases which we feel strongly about. That is, some skilled workers are forced to look for work in foreign countries because they have not found jobs in Indonesia. Or, the lower salaries which they earn in Indonesia are not adequate to cover their proper living costs and those of their families.

The examples given above show how complex and confusing the manpower situation is in Indonesia. This problem reflects weaknesses in manpower planning and work coordination between the various sectors involved in development. The respective sectors tend to work only on their specific programs. It is as if their development concept wore blinders, as it were, which only made it possible for them to look ahead and not see the situation around them.

The appearance of new workers on the job market cannot be separated from the situation in other sectors, for example, in the educational area. Then comes the question, "Is the educational concept now in use—and which produces the new workers—suited to or does it support other development sectors, such as the industrial sector?"

It is rather peculiar that during the present period of industrialization in Indonesia there is only one school for training workers for the wood processing industry. This school, called PIKA (Higher Level Training for the Wood Industry), is conducted by the private sector. Graduates of this school are generally employed by the wood processing industry, which pays an adequate wage.

In Indonesia the wood processing industry indeed has a major opportunity to develop in the future. This is because we have a large area of tropical forest, covering more than 100 million ha, providing timber for the wood processing industry. And growth in this industry has the effect of broadening opportunities for employment and business, as well as foreign exchange for the country.

Indeed, at present the government and the private sector have already opened a number of STM's (Technical High Schools)—which are found in almost every regency and city in the country. These schools were built by the Department of Education and Culture. However, it has turned out that STM's which train people in carpentry are unable to graduate persons who are ready to go to 3n3 work.

What delays things further is that at present in every district of the country there are SMA's (Senior Middle Schools) which turn out additional educated, but unemployed persons than people who are really expert in their

field. Because of this situation, is it hard to understand where, in fact, we are going with the educational concept presently being followed?

The lack of clarity in the concept and direction of education presently being followed—whether we are aware of it or not—will ultimately cause difficulties in the manpower sector, which is managed by and is the responsibility of the Department of Manpower. This department is like the mouth of a river which must receive the leavings or rejects of other sectors. How can it be otherwise?

In Law No. 14/1969 (the basic law on manpower matters) it is stated that every citizen over 14 years of age who has left school automatically enters the work force. These people are like other persons entering the work force who have successfully completed a certain course of education in a formal, educational institution but who have no work skills.

The Department of Manpower has the duty of providing them with a skill, finding work for them, and training them to become skilled workers. To do this, the Department of Manpower has about 150 BLK/KLK's (Vocational Training Institutions/Vocational Training Courses) throughout the country.

However, the fact is that during every year of the present, Fifth 5-Year Plan the budget provided by the government has only been enough to cover 30 percent of the budget needed to operate the BLK/KLK's properly. As a result the majority of these facilities operated by the Department of Manpower are unused or are wasted.

Apart from the government, there are, in fact, many more private institutions which provide courses or training in practical work skills. However, if you look at them carefully, most of them are operated on a profit making basis. (That is, they are business enterprises.) They do not turn out skilled workers to help to resolve manpower problems.

Although at present the number of non productive workers is growing, you should not be in any hurry to accuse the Department of Manpower of employing workers who are rather lazy or which is incapable of doing its work well. The Department of Manpower is not the only government office which has been given the task of creating job opportunities or of completely resolving manpower problems. For the effort to create job openings to take care of new workers is truly the task and responsibility of all sectors involved in carrying out the development program.

This means that, although we are now near the end of the First Phase of the Long Term Development Program (PJPT I), a large number of workers have been "left behind" and have not been directed toward a productive

field of work. Do not blame the Department of Manpower. We need to criticize all of the existing government departments and offices, and the private sector as well. Have they successfully performed the tasks given them by the government?

If we only take a partial look at this matter, it may be that there are many sectors which have successfully completed the tasks assigned to them in a convincing way. As the above example showed, the industrial sector is experiencing growth at an average of 13 percent annually. Banks and financial institutions are growing at the rate of 15.2 percent, and the mining and petroleum and natural gas sector is growing at a rate of 15.0 percent annually.

However, the document containing the GBHN (Broad Outlines of State Policy) reminds us that development is not exclusively in terms of economic growth. No less important than that is the task of creating balanced development, job openings, and business opportunities needed by the people.

It often happens that high rates of growth in one sector have the specific effect of limiting job or business opportunities. For example, take a textile factory which uses modern equipment or machinery. This automatically spurs the growth of the textile sector. However, in another sense the appearance of a modern textile factory may have the result of destroying other textile factories (with simple equipment) which, in fact, employ a great deal of labor.

And there are still many other cases like that.

## Reportage on Labor Situation

### Challenges in 1993

93SE0127A Jakarta ANGKATAN BERSENJATA  
in Indonesian 1 Jan 93 pp 1, 7

[Excerpt] The labor situation is expected to be full of challenges in 1993 because of serious macroeconomic conditions. Critical issues needing to be watched carefully include wages and working conditions, layoffs, protection of women and children who need to work, and unemployment among the educated.

Minister of Manpower Drs. Cosmas Batubara made this prediction Monday afternoon [28 December] in statements to the Jakarta press.

According to the minister of manpower, who was accompanied by senior Department of Manpower officials, the general chairman of the SPSI [All-Indonesia Labor Federation] DPP [Central Executive Council], and the general chairman of the APINDO [Indonesian Association of Plastics Industries] DPP, the creation and effective operation of Pancasila industrial relations facilities will be intensified. The same is true of the wage system, wage protection, law enforcement, and better job training for educated members of the labor force.

An integrated program using clinical approaches will also be developed for the supervision of companies with critical labor problems. In addition, an integrated program will be developed for the education of workers in every aspect of working conditions and industrial relations and standards.

To that end, cooperation with the sector-related agencies involved will be expanded. Similarly, the roles of business and the community in dealing with labor problems need to be enlarged.

### Demonstrations Increase

In his evaluation of labor issues in 1992, the minister of manpower conceded that industrial relations were marked by increasing numbers of demonstrations and industrial disputes. In 1991, there were 130 cases of demonstrations, involving 64,624 workers. This year, the number of cases rose to 177 cases, with 67,231 workers involved.

He said most of the demonstrations were over issues of wages, working conditions, and formation of SPSI units. "From the aspect of demands, the demonstrations were within 'normative' limits," he said. There were 18 other cases of industrial disputes, and there were 688 layoff cases, involving 16,312 people. Cosmas did not specify how many layoffs were ultimately carried out.

He viewed the growing number of industrial relations issues as related to the macroeconomic situation and to growing protectionism on world markets. The awareness of workers of their rights and responsibilities also has an effect.

His department has made many attempts to keep down the incidents. Efforts have included forming bipartite panels, which now number 3,739 (up 4.7 percent over last year), and increasing the number of KKB's [joint labor agreements] from 6,624 to 7,117 this year. As many as 9,350 SPSI units was formed in 1992 (an increase of 3 percent from 1991).

The government has also been taking firm action against companies that violate labor regulations. No fewer than 14 companies were brought to court this year, a decline from 29 companies in 1991. Judges handed down sentences ranging from probation to two months in prison. Some were given fines, which varied from 5,000 rupiah to 200,000 rupiah.

### Minimum Wage

He said the government is trying to increase both the regional and the sectorial minimum wage as an effort to improve the welfare of workers. This year, the regional minimum wage has reached 71 percent of the KFM (minimum physical requirement) nationally.

The ratio of the regional minimum wage to the KFM continues to be low because there are 11 provinces in which the regional minimum wage is 50 to 60 percent of

the KFM. These include Yogyakarta, Central Kalimantan, East Nusa Tenggara, Maluku, East Timor, West Kalimantan, and East Kalimantan. By the end of REPELITA [Five-Year Development Plan] V, however, the government will try to make the minimum regional wage equal to the KFM nationally. Moreover, the wage standard in REPELITA VI will be based on worker KHM (minimum living requirement) instead of the KFM.

SPSI DPP Chairman Drs. Imam Sudarwo hopes the government will set a sectorial minimum wage when it announces a new regional minimum wage. Appropriate timing should be sought for the minimum wage announcement so that businesses can make preparations for effective implementation.

APINDO DPP Chairman Drs. Soeprapto Boejasastro believes the new minimum wage should be announced between January and April, so that businesses [passage omitted]

#### Response to Charges

93SE0127A Jakarta ANGKATAN BERSENJATA  
in Indonesian 3 Jan 93 pp 1, 2

[Excerpts] The government will never limit the roles of labor unions, allow military intervention in labor matters, allow children to work, or impose forced labor on workers in East Timor.

Minister of Manpower Cosmas Batubara said this Tuesday afternoon [29 Dec 92] after being received by President Suharto at Freedom Palace. "We have been accused of doing these things, and these charges have been linked to trade issues," the minister said. [passage omitted]

An Indonesian delegation led by Payaman Simanjuntak, director general for development and oversight in the Department of Manpower, met with officials of the USTR [U.S. Trade Representative] in Washington on 7-8 December to present the facts. The delegation was made up of representatives from offices involved, including the Department of Trade, the Indonesian Embassy, the Chamber of Commerce and Industry, and the SPSI [All-Indonesia Labor Federation].

The delegation explained that Indonesia firmly recognizes the right of workers to organize at their own initiative. Such labor unions must not be created from above [passage omitted] the workers themselves, he said.

The delegation denied charges that the Indonesian military has intervened against workers, because the military has never interfered in labor issues. If a worker demonstration should hurt the public interest, however, such as through the burning of a factory, authorities, especially the police, would take action. They could ask for military help if necessary. Such action would be important, because factories are national assets, Cosmas said.

He said Indonesia has never used child labor, for we give great emphasis to the rights of children to study and play.

He said he was surprised at the charge of forced labor on youths of East Timor. He said an erroneous report to that effect had been made to the USTR. What actually happened was that some time ago a number of youths from East Timor were sent to various BLKP's [industrial skill training centers] for job training. Upon completion of their training, they chose to work in factories in Java, Sumatra, Kalimantan, and elsewhere. Because they had improved their living, many of them encouraged relatives to join them in their new areas, he said.

The minister also reported to the president that ASEAN labor ministers agreed in their recent meeting in Manila to cooperate in facing problems with international labor standards.

They hope to prevent the imposition of USTR sanctions against Indonesian trade under the General System of Preferences (GSP) because of the misunderstanding that precipitated complaints to the USTR in connection with international labor standards.

The issue cannot be disregarded, since it is a challenge to Indonesia in its future international trade.

Cosmas said the AFL-CIO [American Labor Federation and Congress of Industrial Organizations], Asia Watch, and the International Labor Right Education Fund complained to the USTR of four violations by Indonesia and asked that GSP sanctions be imposed on Indonesian commodities.

## POLITICAL

### Policies of Sabah Government Criticized

93SE0120A Kuala Lumpur UTUSAN MALAYSIA  
in Malay 2 Jan 93 p 8

[Article by Shamri Shamsul Anuar: "PBS Seeks Publicity To Keep Power"]

[Text] It is clear from what has happened in the past and from what is going on now that the Sabah United Party (PBS) is always prepared to do anything possible to maintain the "status quo" in the political arena.

In 1992, it brought up two big issues when it was cornered by its own actions after withdrawing from the National Front (BN).

The two big issues that circulated in Sabah throughout the year were the 20 Points Agreement and the amendment to the state constitution recently passed by the State Legislature.

When the PBS withdrew from the BN, the PBS government was then free to do anything to revive it politically, including stirring up the people of Sabah and Sarawak to hate the Federal Government.

That was clearly what happened, as recently pointed out by Datuk Sri Najib Tun Razak, president of UMNO [United Malays National Organization] Youth. He said that the action of Sabah Chief Minister Joseph Pairin in making an issue of 20 Points Agreement was for the purpose of inflaming anti-Federation feelings and smacked of promoting a narrow communal and state-centered spirit among Malaysians in Sabah.

The most obvious thing was Pairin's "invitation" to Sarawak to discuss the 20 Points Agreement issue. That showed he wanted to involve Sarawak in his cunning politics.

What we have learned so far shows that the Central Government has no issue with the Sarawak Government. It is therefore inappropriate for Sarawak to be dragged in, too.

As for the invitation, why did Pairin involve Sarawak? Is this a PBS tactic to set a trap by dragging Sarawak into the dispute? The Sarawak Government has not raised any issue with the Federal Government.

Although travel documents under Malaysian immigration regulations related to Sabah and Sarawak have certain provisions on persons entering the two states, that does not mean Sarawak must be involved.

Many people in this country may not know that when a person enters either of those two states, his travel document will be stamped with these words: "Permitted to enter and remain in Malaysia for three months from the date shown above ...."

### Strange

If one examines the wording, it must appear strange, as though a Malaysian, especially from the Peninsula, is not free to go to the two states.

This is one of the provisions of the 20 Points that the Federal Government proposes for review to bring about a spirit of national unity, but the Federal Government's pure intentions have been rejected by the PBS government.

The issue of the 20 Points, which was the agreement on the entrance of Sabah and Sarawak 29 years ago, will not be resolved until it is reviewed as previously agreed. Pursuant to an accord made by the two states and the Central Government prior to 1963, the agreement must be reviewed every 10 years to determine its effectiveness and its place in national unity.

Prime Minister Datuk Seri Dr. Mahathir Mohamad has also stated that a review of the 20 Points Agreement is very much needed for bringing about true national unity among all the people of the country, whether on the Peninsula or in Sabah and Sarawak.

### Rejection

Nevertheless, this proposal for studying the 20 Points has met with rejection and strong criticism from PBS leaders, and PBS has begun to propose that Malaysians from the Peninsula or Sarawak again be required to hold passports to enter the state. That regulation was reduced in 1986 to a requirement that an identification card be presented and a special immigration form be filled out.

It is not possible for people to deceive history in this matter. Although it is possible to fool some of the people some of the time, it is impossible to fool all the people all of the time.

It appears that the purpose of the Federal Government's policy is to create a spirit of cooperation and goodwill as an expression of its responsibility as the Central Government.

The PBS government's intention to enforce use of passports by residents of Peninsular Malaysia entering Sabah is an arrogant act that will hurt national unity.

### Cooperation

Whether the PBS cooperates with the Central Government or revives its anti-Federal campaign is its prerogative. They may choose as they please. What the BN has emphasized, however, is that it wants Sabah to have a government that can cooperate with the Federal Government.

Minister of Finance Datuk Sri Anwar Ibrahim made this clear recently in Kota Kinabalu, where he spoke in a meeting with Sabah UMNO leaders.

Datuk Sri Anwar said in his speech that Sabah needs a government that can cooperate with the Federal Government so that the state can be raised to a level of progress equal to that of other states.

"We do not want the existing government's attitude to make this state backwards and its people second-class residents while Malaysia becomes a developed country."

Although there have been attempts to restore the relationship for the sake of the future of the people of Sabah and the Peninsula, the actions of PBS leaders have thwarted these efforts.

Politics in Sabah are always heated, and people throughout the country follow developments there. One by one, the hot issues have become topics of discussion.

Before the 20 Points issue cooled down, Sabah politics flared up again upon approval of an amendment to the State Constitution that gives power to the Sabah State Legislature to expel any member who is undisciplined and misuses the people's mandate.

Section 18(2) of the Sabah State Constitution was approved by the legislature says: "He shall be dismissed by the State Legislature for conduct inappropriate for a member of the State Legislature, that is, for improper behavior or for misuse of, or unfaithfulness to, the mandate given by the voters of his district."

Several legal observers who have been following political developments in Sabah believe the new section is unclear.

What criteria will be used to determine that the behavior of a member of the State Legislature is improper? They also question other things: Is such improper conduct inside or outside meetings of the legislature? The section also includes dismissal of legislators who are unfaithful to the mandate given by voters.

This amendment to the Sabah State Constitution has produced dissatisfaction among the people, particularly voters and some members of the legislature, who realize that this action by the state's government is a stab in the back.

The PBS government clearly has not brought much progress and change for the development of the people, but it has made many changes to strengthen itself politically so that it can continue to convince the people that the PBS is truly sensitive to the wishes of the people of Sabah.

The PBS government must come to realize that its political actions are contrary to national aspirations and have made the state the poorest in all of Malaysia. Poverty in Sabah has risen to 34.3 percent, or 99,600 households.

Picture most of the villages of Sabah, such as Lahad-Lahad Village on Sebatik Island, where residents are forced to drink and bathe in well water that is not only muddy but foul-smelling.

#### Left Behind

If Sabah is now lacking in revenue, it is because the PBS government has exported too many logs without financing public development. With exports of so many logs, Sabah's development should be equal to Sarawak's, but it is very clear that Sabah has been left behind.

To improve the development of Sabah, the PBS government must stop its political manipulations, which are attempts to get cheap publicity by fanning issues to revive the PBS name in the political thinking of the people of Sabah.

In this situation, it is only UMNO that can try to protect the state's residents from being misled by certain people.

It is time the people of Sabah be given power again to elect a government that can stand shoulder to shoulder with the Federal Government for the sake of the people's progress.

#### Spirit of '46 Members Accuse Leaders of 'Dirty' Tactics

93SE0120B Kuala Lumpur UTUSAN MALAYSIA  
in Malay 4 Jan 93 pp 1, 2

[Text] Kuala Lumpur, 3 Jan—Dissatisfied members of the Spirit of '46 Party have told UTUSAN that party leaders in Johor are using dirty tactics, including a campaign of whispering that the sultan of Johor "is now in our hands."

They regret that their leaders have used the sultan's name for their political interests. This could hurt his good name and public respect for his majesty.

Party leaders in Johor were said to be delighted with the latest development in the Bukit Serene Palace crisis caused by the reported "failure" of Johor Chief Minister Tan Sri Muhyiddin Yassin and National Police Chief Tan Sri Haniff Omar to persuade his majesty to drop his intention of holding the meeting he had planned.

In the latest development, the sultan of Johor indicated his intention to postpone the meeting after considering the security situation and refusing to be used by irresponsible elements.

The dissatisfied party members feel their leaders have gone too far by spreading word that the sultan was more willing to accept views from them than from the government and other people.

UTUSAN earlier published a report from Batu Pahat that the Spirit of '46 Party was conducting a campaign of whispering that his majesty the sultan of Johor would "present an important message" at a meeting at the Grand Palace in Johor Baharu on 8 January.

The Spirit of '46 source said only that "the message would certainly be surprising."

The party members, disgruntled with the attitude of their leaders in Johor, confirmed that the message would "indeed have a dramatic effect" if it were given.

According to their leader, his majesty the sultan of Johor would reveal the story of the 1988 dismissal of Chief Justice Tun Salleh Abas.

The dismissal was the result of several incidents involving Chief Justice Tun Salleh personally, including statements made by him as chief justice in which he criticized the government, thus demonstrating a prejudice against the government. Such an action naturally was not consistent with his position.

He also did not like some of the prime minister's views on matters related to him personally and to the credibility of the judiciary.

Among other things, he considered the prime minister's speech in Parliament on 17 March 1988 as an "attack" on the judiciary. Next, Tun Salleh sent a letter to the paramount ruler and the other Malay rulers about developments involving the executive and judicial branches.

The government then formed a tribunal to try him.

The sultan of Johor was paramount ruler at the time.

According to the party sources, the sultan of Johor will say that he was "forced" to sign the document dismissing

Tun Salleh Abas, which he did with "a heavy heart" under "pressure from the government."

The party sources regret their leaders' dirty tactics in this matter in giving the impression that his majesty would not have the courage to take the step. For them, what happened in 1988 is in the past, and his majesty discharged his trust wisely with the advice of the prime minister.

"There is no reason why old issues should be made political weapons of the party," the sources said.

In another development, UTUSAN was informed that some leaders of the Spirit of '46 Party met in Johor Baharu last Friday [1 January]. They included Spirit of '46 Deputy President Datuk Rais Yatim and Kelantan Deputy Chief Minister Rozali Ishak.

Tun Salleh Abas reportedly was also present at the meeting. He also attended a secret meeting held by the party at the Kelantan Palace two weeks ago.

In the same development, the sultan of Johor was said to have asked the Johor crown prince to meet with Tan Sri Othman Saat, liaison president of the Spirit of '46, at his residence in Johor Baharu on the night of 25 December.

Othman Saat was among the Johor leaders whose titles and medals of honor were withdrawn when Tengku Mahmood Iskandar was made sultan.

The party members told UTUSAN that they can breathe easier now that the sultan has decided to postpone the meeting.

### Government Action Credited in CPP's Decline

93SE0130B Manila DIYARYO FILIPINO in Tagalog  
5 Jan 93 pp 1, 2

[Text] The Communist Party is now feeble as a menace to the nation's security, thanks to on-going economic and political government programs, but it still causes uneasiness in the communities which have distant prospects of making a decent living.

In conjunction with the announcement made above, President Fidel Ramos also lambasted, in his weekly press conference, the rigidity of the National Democratic Front [NDF] in its position on insurrection: they are circulating a facetious statement that the peace process favors the communist insurgents.

### Lesson Accordingly

According to the President, the capabilities of the Communist Party of the Philippines [CPP]; New People's Army [NPA]; and NDF have been decimated, both in terms of weaponry, in control of individual territories, and in support from the masses.

It has been reported by military sources that membership in the NPA has declined by seven per cent, from 18,640 rebels to 17,270 insurgents.

In addition, their total arms capability has decreased by three per cent, from 12,060 rifles in 1989 to 11,700 weapons in 1990.

Furthermore, the barangays (rural villages) controlled by the NPA have declined in number by twenty-six per cent; meanwhile, ten guerrilla fronts have been completely annihilated by the Philippine Armed Forces.

### Now Old

In this connection, Ramos stated that what is common knowledge among the people is the NDF's severe complaint that there are now many more insurgent soldiers being freed by the government in accordance with its Amnesty Program.

According to Ramos, this is what the NDF always focuses on, despite the fact that this leftist party has been opposing the government for the longest time, thus dragging many innocent citizens into violence and aggression.

Although the President wants to reach all the groups involved in the peace process, yet he still wants to devote the government to the security of the majority of the members of the government who are law-abiding citizens.

### Benefits Being Studied

Meanwhile, ever since the President emphasized that the government extends benefits to all individuals and families who have been victimized, and to various persons

who have suffered, or have been ruined due to firefights between the AFP [Armed Forces of the Philippines] and the Communists.

However, Ramos stated that the government will give priority to job creation for those who have suffered in support of the police, and to those soldiers who fought against the insurgents.

In like fashion, Malacanang has just begun a study of the said legislative proposal. The National Unification Committee has been ordered to gather information in order to assess the damage.

### Back to the Mountains

What constitutes a hard blow to President Ramos' administration is the potentially great threat of about 300 rebel returnees who have come back to Sierra Madre, and who possess weapons because they believe that the government has abandoned them. The ex-insurgents have complained about how "stingy" the government has been in providing them with the funds to establish co-operatives in Bulacan.

In this connection, two chiefs of the cooperatives of the rebel returnees based at Santa Maria in Hagonoy have asked Governor Roberto Pagdanganan to clarify the system of procuring funds.

According to Perlita Peralta, 24, alias "Ka Perly," chairman of the Santa Maria Rebel Returnees Multipurpose Cooperative (RRMPC); and Renato Cabanting, alias "Ka Andres," chairman of San Pascual Tricycle Multipurpose Cooperative in Hagonoy, they cannot understand why the Capitol in Malolos is so "tight" with the over 300,000 pesos in funds reserved for the two cooperatives. The 300 former rebels planned to establish pig sties and chicken farms.

Peralta further declared: "We had already spent a lot on the necessary papers to establish the cooperative, but why, then, did they hold up the funds set aside for the organization necessary for helping our families?"

Peralta and Cabanting also added that they had already registered at the Cooperative Development Authority, and that they had opened an account with the Land Bank of the Philippines (LBP), hoping that the Capitol would then release the funds.

In this connection, an armed member of the rebel returnees indicated that they believe there will be a big change in the next three days the moment President Ramos doesn't act on their complaints. It is also possible that the 200 regular members of the NPA would refuse to fight, since they had surrendered, when the funds were withheld.

The source also stated that rebel returnees can return to the mountains to resume the fight.

**Ramos Says More Aggressive Tax Collection Needed***93SE0112B Manila DIYARYO FILIPINO in Tagalog  
29 Dec 92 p 2*

[Text] President Fidel Ramos has ordered the Bureau of Internal Revenue (BIR) to take action against the fifty-nine companies that owe the Government 657.52 million pesos.

Ramos gave BIR Commissioner Jose Ong until November 15 to take action against the companies, many of whom owe back taxes and customs duties.

Several days ago, Senator Ernesto Herrera disclosed that fifty-nine corporations had not paid their taxes on time. Fifty-one of these companies are importers and owners of customs-bonded warehouses.

The Bureau of Customs is giving the CEO's of these corporations a one month extension on the deadline for paying off their indebtedness of 544.45 million pesos; after this time, their warehouse permits will be cancelled.

In this connection, it has been estimated that the Government owes a debt of 159 million pesos on account of the behest loans of 419 companies.

This fact was made public after the Asset Privatization Trust (APT) disclosed the names of the companies that had borrowed, and were guaranteed by the Philippine Guarantee (Philguarantee) under the Marcos regime.

According to Senator Raul Roco, chairman of the Committee on Banks, Financial Institutions, and Currencies, the sum total of the debt transferred from the corporations to the National Treasury amounted to 159 million pesos, not 147 million pesos, as had been previously reported.

**Paper Says Unilateral Debt Cap Bad for Economy***93SE0112A Manila DIYARYO FILIPINO in Tagalog  
2 Jan 93 pp 1, 2*

[Text] The foreign creditors and the countries which promised loans to the Philippine Assistance Program (PAP) might revoke their credit aid to the Philippines, once the debt cap bill is passed.

Yesterday, Central Bank Governor Jose Cuisia and Development Bank Chairman Roberto de Ocampo gave expression to the same opinion concerning this warning, while the congressmen were consolidating their support for the proposal to override the veto of the debt ceiling.

**BNPP**

Meanwhile, yesterday, the Government repudiated the negotiations on opening the Bataan Nuclear Power Plant [BNPP].

The Government is currently preparing a legal case against Westinghouse, which successfully obtained a plant contract by bribing the Marcos cronies.

Malacanang dedicated to recommend litigation against Westinghouse because of the company's shoddy blueprint for repairing the nuclear reactor before it begins operating again.

**Debt Cap**

In a television interview, Cuisia was quoted as saying: "The debt cap is one of life's crosses. Perhaps, we alone in the whole world are engrossed in a discussion of debt caps."

The debt ceiling debate came about just as the Philippines started to try to rectify its 3.2 billion dollar indebtedness to foreign commercial lending institutions. This will only pave the way towards new debts.

According to the agreement, the 3.2 billion-dollar debt, with a high interest-rate, will be replaced with long-term bonds bearing low interest rates. The banks will then be granted a new \$140 million loan.

Supporters of the debt cap have stated that the \$29 billion can be transferred as a debt payment that can be stopped by the debt cap for the benefit of national projects.

It has been conjectured that the huge debt payment is what causes the failure of the infrastructure to make progress, which, in turn, causes the foreign capitalists, who stand united in their goal of improving the economy—which didn't budge a bit last year—to lose interest in us.

Cuisia stated that if the override of the debt cap veto succeeds, he is certain that Japan and the United States will revoke the \$12 billion loan promised to the Philippines, as agreed upon in the PAP in 1989.

In the same interview, de Ocampo asserted that the loss of such a loan means that electricity, telecommunications, and highway improvement will not progress.

**Power Company Reports Gasoline Loss, AFP Involved***93SE0130A Manila DIYARYO FILIPINO in Tagalog  
6 Jan 93 pp 1, 2*

[Text] There exists widespread gasoline theft in the Armed Forces of the Philippines (AFP).

This fact was revealed yesterday by Senate President Pro Tempore Ernesto Maceda in conjunction with the announcement from the Commission on Audit (COA) that it would launch a special assessment of the gasoline and oil consumption of the AFP.

Several days ago, Maceda said that the National Power Corporation's [NPC] petroleum products loss has already reached 268 million pesos because of syndicate thievery.

It is believed that there are sea vessels that buy oil from the AFP and Napocor at a much lower price, as compared to the prevailing rate. Maceda formally requested the National Bureau of Investigation (NBI) to identify these craft.

Maceda also stated that government losses will easily run into the billions unless the stealing by government officials from the oil supplies used to run their agencies' operations is stopped.

There is a budget of 1 million pesos assigned to the AFP for gasoline for their helicopters and other military vehicles.

Maceda asked the COA to investigate and carefully scrutinize the delivery of gasoline to the AFP, Napocor, and the Philippine National Police.

Likewise, Maceda also asked the COA to investigate Shell Philippines and Caltex Philippines with regard to their petroleum delivery to the Manila Electric Company (Meralco).

Meralco, in turn, passes on the loss of gasoline revenue due to thievery on to the consumer in the form of higher prices.

In this connection, Maceda, the newly-reassigned chairman of the Senate Committee on Finance, announced that he would form a special task force to observe and evaluate the use of oil, and the work schedules of all the vehicles of government agencies.

Maceda also stated that he is asking the government departments to submit a monthly report on their purchases of gasoline, and on the use of vehicles so that the cheating might be curtailed.

In addition, the Senator emphasized several anomalies related to the use of government vehicles by bureaucrats, and related to the purchase of gasoline for these vehicles for purposes which cannot be positively identified.

The House of Representatives wishes not only to reassign, but also to investigate, and possibly to jail, the man and officials of the National Power Corporation (Napocor) implicated in the petroleum theft from the said corporation.

Yesterday, assistant majority floor leader Rodolfo Albano (NPC, Isabel) asked President Ramos to simultaneously reshuffle the corporation officials, and to arrest those active in the syndicate.

Pablo Malixi, Napocor Chief, stated that there is widespread syndicate theft of oil in which very high-ranking officials and men of the Philippine National Police and the military are implicated.

Malixi added that the syndicate's operations now extend all the way to Cebu.

On the other hand, Representative Ramon Bagatsing, (LDP [Struggle of Democratic Filipinos], Manila),

believes that only "the small fish" have been apprehended by the NBI, and that many other high-ranking officials of the corporation are involved.

Bagatsing made a formal request, during the conference, to launch into a separate investigation with the aim of curtailing the spread of the operation, and to catch those implicated in the syndicate.

### Local NUC Poses Challenges to Government

93SE0153 Cotabato City THE MINDANAO CROSS  
in English 20 Jan 93 pp 1, 2

[Excerpt] About 50 delegates to a consultation called by the National Unification Commission-Consultative Council (NUC-CC) representing government and non-government organizations in Cotabato City, formulated last Saturday an agenda for peace and recommended radical solutions to solve the armed conflict between the government and the communist insurgents, the various Moro fronts and the rebel soldiers.

The participants, who represented about 30 government and non-government organizations, were divided into five workshop groups which tackle issues they believed were causes of the armed conflict. They also submitted recommendations to end the communist and Moro insurgencies and the rightist rebellion.

Some of the common issues pointed out as causes of the armed conflict were foreign intervention, economic crisis, graft and corruption in government, military abuses, exploitation of women, unequal distribution of wealth, human rights violations, absence of a genuine autonomy for Muslims in Mindanao, genuine agrarian reform, inadequate housing projects for the urban poor, unemployment, and high cost of education.

To solve the problem, the workshop groups recommended, among others, that the government reject foreign intervention, punish corrupt government officials, abolish the Autonomous Region in Muslim Mindanao [ARMM] and establish a genuine autonomous government responsive to the needs of the Muslims and all groups of peoples in the autonomy area, try military offenders in civilian courts, weed out scalawags in the military and reorient and retrain military personnel and policemen, implement a genuine agrarian reform which respects the ancestral land of tribal Filipinos and Muslims, amend the 1987 constitution, indemnify the victims of state abuses, and overhaul the educational system to make it relevant to the needs of the country.

City Councilor Ley Leyretana and his group also pushed for the national government to channel development funds to Cotabato City. His group asked the national government to support and extend financial assistance for the city's development plans while requesting that the seat of Region 12 be retained in the city as it also asked that a permanent site of the ARMM be identified. [passage omitted]

**Editorial on Former Chief of Staff Fabian Ver**

93SE0112C Manila *DIYARYO FILIPINO* in Tagalog  
28 Dec 92 p 2

[Text] Two days ago, when several officials of President Ramos vigorously opposed the return of former AFP [Armed Forces of the Philippines] Chief of Staff Fabian C. Ver to this country, the second administration spawned by the 1986 EDSA [Epifanio de los Santos] revolution made a conspicuous show of the terror felt by the people against the said "cruelty instructor of the martial law regime" during the decade of the seventies.

Although the public knows that the new leadership is also opening the door to reconciliation to the so-called "blind followers" ("puppies") of Marcos, nevertheless some officials secretly disapprove of the return of undesirables like Ver.

This Monday, Justice Secretary Franklin Drilon, member of the National Unification Commission, emphasized that such a repatriation is not covered by the Government Amnesty, since the former general is an ordinary criminal.

In addition to Ver being infamously labelled the "Hangman of the Nation" of the military groups who were the first victims of the military oppression, many people have believed, especially those who have been newly appointed or elected to power, that Ver was the mastermind behind the Aquino assassination on 21 August 1983—a painful historical wound kept secret during the second revolution in the democratic institutions of the country three years earlier.

It is amazing that the heart of the Government has been so softened towards the Marcos family, the source of the atrocities perpetrated throughout the nation, and the cause of its helplessness, but not towards the Ver family.

Perhaps the government quietly forgives the Marcoses, since they now freely intermingle in society, and (participate) in the democratic process, that is, the members of the dictators clan: Imelda, Bongbong, Imee, Irene, and the other relatives.

However, the sensation of sudden terror evoked in some people by the mere mentioning of the name Fabian Ver is proof positive of the people's intense hatred and indignation towards the former AFP chief, whose main transgressions against his country was the blind, unquestioned execution of the president's orders. This wound cannot be erased.

Verily, the discrimination against Ver by both the government and by some sectors is based both on emotion and reason.

It can appropriately be stated here in this column the old maxim that time heals whatever wounds there are.

**Massacre Reported, Muslim Renegades Blamed**

93SE0095A Bangkok *THE NATION* in English  
15 Dec 92 p A5

[Text] Suspected Muslim renegades raided three remote mountain villages "screaming like demons" and massacred an estimated 40 people in the southern Philippines, the military and survivors said yesterday.

Survivors said the gunmen were renegades from a Muslim rebel group that had been extorting money from them for about a year.

One military officer speculated that the killings could have been in reprisal for the slaying of a bandit whose father may have been the leader of the raiders.

Five wounded survivors were taken to a hospital in this city about 896 kilometres south of Manila.

One survivor, Rosenda Rasonado, said raiders "were screaming like demons in the night and firing their weapons in all directions."

Official said the killings began at about 4 pm (0800 GMT) on Saturday, when about 30 armed men entered the village of Alto Gulod, about 80 kilometers north of here.

Morgan Magtuba, 56, one of the survivors, said the gunmen herded villagers into an open field and told them that they would be issued identification certificates.

When the villagers complained about extortion, the gunmen separated the men from the women, opened fire and then burned the homes, Magtuba said. The women and surviving men fled into a cornfield.

"I heard the women calling for their children but they were separated from each other," Magtuba said.

"The gunmen fired at us like we were in a firing squad."

After burning bodies of the victims, the gunmen went to the nearby village of Lunot, where they ate in villager homes.

A villager, Charlito Mamintas, 23, said that after dinner, the gunmen announced they were collecting P300 (US\$12) from each family.

"We told them that we were having difficulty raising P200," Mamintas said. "Then they got mad. They herded us out of the house and three of them fired at us."

"The others were busy carting off rice, chicken, kettles, corn and whatever they could find."

Mamintas, who was wounded in his left foot, said his father was killed but he managed to escape into a field.

The gunmen then continued to a third village, Site, and apparently repeated the killing, the military said.

Military officials estimated that about 40 people in all died in the three villages.

Survivors said the gunmen were from the Moro National Liberation Front, the largest of three Muslim groups which has struggled for two decades to establish an Islamic state in the south.

The insurgency has waned since the late 1970s. As the front's political control weakened, armed units have turned to banditry and extortion.

Mrs. Rosanado, 47, said that some of the victims in Lunot were unable to escape their burning homes and died in the fire.

Gunmen also sprayed weapons fire at the houses of those who refused to leave.

"I ran. It was very dark," she said. "The women in the group were quaking with fear. The gunmen sounded like they were furious with us."

Col Jesus Rano, chief of staff of the military's southern Command, said the leader of the raiders was believed to be a "Commander Safari," an alias for a former Muslim guerrilla chieftain.

Rano said Commander Safari's son, Majid Samson, operated as a bandit in the area of the massacre until he was killed last year after villagers told police about his hideout.

**MILITARY****Army Commander on Burma, Vietnam, Cambodia**

93SE0116A Bangkok KHAO PHISSET in Thai  
15-21 Jan 93 pp 11-17

[Interview with 1st Army Region Commander Lieutenant General Chettha Thanacharo on 7 January 1993 by Piyanat Worasiri and Uaiphon Taechutrakun, place not given]

[Excerpts] [passage omitted] [Piyanat/Uaiphon] In view of the fact that technology is playing a greater and greater role, is the emphasis on training in the 1st Military Region different from before?

[Chettha] Definitely. One of my mottoes is "seek knowledge." Everyone must help himself. The Army is helping, too, and has various schools. We must help ourselves so that we can keep up with the rest of the world. That is not very difficult. Everyone has seven years of schooling as a foundation for further education. I strongly encourage people to study so that they can make use of their capabilities and apply them in today's combat conditions. I am confident that we can keep up with others. At a minimum, we must monitor the activities of other armies around the world. I read many magazines, including magazines from America and England, so that I can keep up with units at the same level or similar units. I want to know if they are doing anything new. And the joint Thai-U.S. Cobra Gold military exercises, which are held every year, enable us to keep up with things. Thus, as for technology, it's up to commanders to motivate their subordinates. But there is no reason to worry, because soldiers are aware of the importance of technology. If our weapons are inferior, the morale of the troops will be affected. We have to maintain a balance. This is important.

[Piyanat/Uaiphon] It looks as if peace is being restored in this region, and we are reducing the size of our military. But you have said that peace is an illusion. In view of this, how should the military be downsized?

[Chettha] This should be done gradually and in a suitable manner so that there aren't any problems. We have to reduce the size of the military gradually. I agree with that in view of the broader picture. That is, the Soviet Union has collapsed, Vietnam is taking steps to revive itself economically, Burma has internal problems, and Malaysia is a good neighbor of ours. Thus, we can downsize gradually. But don't forget that Malaysia is now expanding. We have to monitor this. I think that this is important. Every action has meaning. They may have their own views and some data and information. Or they may be taking a long-range view. I know that the government understands. It depends on the reasons and on the tangible results that can be seen. I am not concerned. Even though we are reducing the size of the military, we could build up the military quickly if necessary. We will have to use our capabilities. Soldiers

must be prepared. We are trying to strengthen the system of reserve forces. [passage omitted]

[Piyanat/Uaiphon] Are you in favor of distributing power?

[Chettha] I support distributing power in governing the country. A distribution of power goes hand in hand with democracy. It should reach the point where everyone governs himself and people govern each other. I agree with this, but I don't want to become involved in the details. I am not interested in the good and bad points. The people can't help, because that is not the decisive point. You have to ask the people. I am in favor of distributing power. In the American military, even those at the level of sergeant have power. When we travel to the United States, the invitation has been signed by a sergeant. Every system in the military is the same. At all levels, there are intelligent and capable people. The more we distribute power, the safer the country will be. It will be difficult for something unexpected to happen or for someone to do something wrong. Thus, the more we distribute power, the better.

[Piyanat/Uaiphon] Some people have said that the people aren't ready yet. Do you think there is any validity to this?

[Chettha] That is an old issue, but it has some validity. That is, if the people are prepared..... To put it simply, educational standards are still low. But a poor educational background can be overcome with the speed of information. Acting properly can help. That is, people should not allow themselves to become victims. And that won't happen if people do not let themselves be influenced and they use their judgment. I don't think that you can look only at education. People in the jungle may have a higher IQ than other people, but they don't have an opportunity. That's how I view it. We shouldn't look down on those who live in the jungle or think that they are dumb. It's just that they haven't had a chance to get an education. If they attend school, they may place first in the examinations. I tend to view things differently. But if people are provided with data and information and they use their own judgment, I think anything is possible.

[Piyanat/Uaiphon] Some people are still concerned about the security issue and the separatist issue.

[Chettha] OK. We are a single country that cannot be separated. But that is totally separate from the issue of distributing power. That is my view.

[Piyanat/Uaiphon] Soldiers are concerned about security. If power is distributed, will problems arise and will it be necessary to take precautions?

[Chettha] We have to take some precautions. It depends on the environment in that area. That might not be the right time, and it might be necessary to postpone things for awhile. When people are capable of standing on their own feet, anything can be done. And no one will be able

to do something that is wrong. The only thing is that we must exercise caution. In general, I am in favor of distributing [power]. I think that that is what they are thinking. But I think that they want to distribute tangible power, that is, they want to distribute budget funds. That is a clear, tangible distribution. [passage omitted]

[Piyanat/Uaiphon] Concerning the situation within the area of responsibility of the 1st Army Region, about what are you most concerned?

[Chettha] At present, I am concerned about many things. This means that there are points that we need to keep an eye on. We have to keep an eye on Burma, that is, the Three Pagodas Pass area. That area belongs to Thailand. There are various treaties and maps, and the Border Demarcation Committee has not yet resolved this issue. This is one of my projects. I have said that I will bring order to the Thai border. That is, the soldiers under my command must know the location of the border based on the maps that we have. If they are flying in an aircraft or walking on the ground, they must be able to point out the border. At present, no one knows where the border is for sure. But we must inform them. Once everyone knows where the border is, we will know at which points we have the advantage and at which points we are at a disadvantage. We will make adjustments so that we have the advantage. I will deal with the border issue. I think that the deputy minister of foreign affairs is interested in this. He plans to come see me very soon. There are problems on all fronts. This is why I said that this is a deceptive picture. There will continue to be border problems. If we leave, they will expand their forces. And from what we know, Burma is buying large quantities of weapons. Thus, we cannot become careless.

[Piyanat/Uaiphon] Burma has constantly had problems with the minority groups. Will that have much of an effect on the border problem?

[Chettha] If they manage to reach an agreement with the minority groups, or ethnic minorities, and things settle down there, that will affect us. But the minority groups still refuse to give in to Burma. They are still resisting. That is good for us. Thus, if they should succeed in solving the minority group problem, that would affect us.

[Piyanat/Uaiphon] If that is the case, that means that we want to use the minority groups as a buffer state as a counterbalance to Burmese power and that this policy remains unchanged.

[Chettha] I don't know about the past, but our present policy is quite clear. I have ordered my men to expel foreigners who are armed and foreign troops. If they want to seek refuge here, they must lay down their weapons, and we will treat them in a humanitarian way. I have issued a clear statement on this. I haven't talked like a diplomat. People may think that we are supporting them so that they can serve as a buffer state, which may have been appropriate at one time. You can't criticize that in absolute terms. We have survived because of our flexibility. We have done whatever would benefit us the

most in any given situation or environment. But today, we are no longer using them as a buffer.

[Piyanat/Uaiphon] Is the recent improvement in relations between China and Burma any cause for concern here?

[Chettha] I think that they had to do that. That will have certain consequences. Burma will be able to obtain weapons from China, which will strengthen them militarily. We must monitor this closely. We will have to maintain a balance. We have to monitor their build up. I am not interested in a reduction or increase in forces. What I am interested in is preserving the balance. We are confident that we can defend the country. We must be as frugal as possible. But if it becomes necessary, we will have to spend the money. The important thing is to defend the country. That is the way to consider this.

[Piyanat/Uaiphon] China has built a road through Burma to the Gulf of Martaban. What preparations have we made to deal with this?

[Chettha] That is part of their strategy. That has enhanced their strategic capabilities. That has given them an advantage. In the long term, they can use that for military purposes. We must think of a way to defend ourselves. We have formulated a plan. We have to think of this in military terms. That is a strategic road. If they launch a tactical operation, what will they do? We have a defense plan. But in any event, we have to obey international law, which states that along international borders, there cannot be any military units within 5 km of the border. But usually, no one obeys that law. We send units in the form of paramilitary units (laughs), such as Border Patrol Police.

[Piyanat/Uaiphon] The situation along the Cambodian border is still not calm. How much will this affect Thailand, and how likely is it that war will break out in Cambodia?

[Chettha] Even if war breaks out there, I don't think that that will affect Thailand very much. If we look at this in a selfish way, if there is unrest in a neighboring country, that is a good opportunity for us. That is an internal matter of theirs. Occasionally, shells from the fighting will land inside Thailand. That may cause some damage. But the overall picture is good. That is, there is no chance of their invading Thailand and causing turmoil here. When the Khmer Rouge was in power during the period 1975-1978, they caused a lot of problems along our border. Things were worse then. But if they stop fighting, this won't happen. This will be good in another way. We don't want them to fight just so that things are fine here. We should look at things in a broader way. We want there to be peace there so that we can wage a struggle on the economic and trade fronts. But regardless of what happens, I don't think there is any way to avoid disputes.

[Piyanat/Uaiphon] Let me ask you frankly, do you think that UNTAC [United Nations Transitional Authority in Cambodia] has made mistakes?

[Chettha] Looking at things superficially, they have done a good job. As the backers of peace, I support them. We have said that we have been taking action since 1979. But no one is aware of the service performed by Thailand. I have taken part in providing help. We have provided help and support. That is what I want to tell people. We are friends with all four factions. Now let's consider UNTAC. I don't know if this is true. But in view of the fact that the head of UNTAC is Japanese (Yasushi Akashi), can he take action without considering the interests of his own country? I am sure that he will take action in ways that will benefit Japan. I think that that is unavoidable. And Singapore has been involved in things for a long time. At a time when we were fighting and implemented measures to control goods, even to the point of promulgating an act to control goods along the border, Singapore continued to engage in trade with them. Australia and Taiwan traded with them, too. Everyone took advantage of the situation. Then, when they saw that we had a chance to benefit, they started criticizing us for this and that. That's not right. I think that they should be more broad-minded and fair. They are still looking for ways to destroy the Khmer Rouge and affect us. But at the same time, I don't know how prepared Vietnam is. The Khmer Rouge has built a strong position by saying that it will negotiate only after all the Vietnamese have been expelled. That's something worth considering. But I don't know how true that is, because that is their internal affair.

[Piyanat/Uaiphon] Some people have said that we must act in strict accord with the UN resolutions, because this is an issue that has to do with the world community and the country's image.

[Chettha] I agree that we have to do that, but some people wonder why we have to follow their lead so closely. I think that we need to think about this. But we have to do something. We have announced that we will abide by the resolutions. We agree, and we will act in accord with them. But in implementing them, I think that there is room for flexibility. If there are heavy losses, steps must be taken to gradually reduce the losses. I sympathize. As for Cambodian timber, I was one of those who got the ball rolling on this. When I was with the Suranari Force, a group of timber dealers wanted to carry on logging operations in Cambodia. I thought about that and decided that we should be extracting timber from Cambodia. The cost would be low. I told them that the logs must really come from Cambodia and not Thailand. I thought that that would be good. But I didn't dare take action, because people would think that I was profiting. But once they submitted the matter, I immediately approved it. As the person responsible for the border area, I can assure you that the situation there was secure and safe. If the Thai Government agreed and they could reach an agreement with one of the Cambodian factions, I was ready to support them fully. After I arrived, we opened a checkpoint at Khlong Luk. I was already thinking along those lines. Why did I want that? Because I was thinking about military matters. Our

territory there is all open terrain. Militarily, we are at a great disadvantage there. We did not have freedom of movement, because the enemy could see everything. Thus, I wanted to make use of the jungle in Cambodia to benefit our country. (laughs) I wanted to clear the jungle inside Cambodia, and so I started thinking of how we could accomplish that. Talks were held on buying the timber, but that also benefited us militarily because that helped reduce the risk.

[Piyanat/Uaiphon] What is the terrain there like?

[Chettha] In the lower northeast, our land is mostly higher than theirs. The terrain on their side is very steep. Take Preah Vihear, for example. The entrance to that temple is on our side. I was the one who opened that temple complex. I sent some of my men to negotiate with the Heng Samrin company based on the mountain. They said that they had to climb for 90 minutes to bring in food and supplies, because the main entrance is on our side. But there are a series of passes and so they still have the advantage. They can use the passes and steep mountains. That is why I wanted to fell the trees. That is what started this, and it took several years. They said that it had to be approved by about 50 different officials. And then even more talks had to be held. I felt sorry for them. I did not profit personally. But whenever the timber issued was discussed, the newspapers printed headlines saying that the 1st Army Region commander was protecting Bunchu Tirthong. But actually, I was talking based on principles. Anyone could go there. I thought that that would benefit the country. I didn't know who stood to profit. Militarily, I stood to gain, but I couldn't say that. That was finally approved, and I opened Khlong Luk. In my view, we were stronger. I pointed this out to subordinates. We were stronger politically, economically, socially, psychologically, and militarily. We didn't have anything to fear with respect to security or safety. We had to "fight" even though we knew that we were superior to them. We stood to gain a lot from these timber activities. We hurried to get things started to enable Thai villagers to go and work there and to gain long-term economic domination. That is why I supported that. If we had not opened the border, we would still be at a disadvantage. Even though we had closed the border, Cambodians were still coming into Thailand. Cambodians moved into the cities in Surin Province and even went to live in Bangkok. What was the use of keeping the border closed? We opened the border so that Thais could carry on activities there. And we benefited militarily. I had formulated a plan and so we opened the border. I went and challenged the governors of all the provinces in the lower northeast. I told them that if they wanted to open a pass somewhere, I would guarantee everything. They could choose the spot. That is how logging operations in Cambodia got underway.

[Piyanat/Uaiphon] From what can be seen, UNTAC isn't very happy with the role played by the Thai military. They think that we have a long history of supporting the Khmer Rouge. And to date, we haven't done anything to dispel those suspicions.

[Chettha] That is difficult to talk about. But we have officially stated that we will deal with all four factions and that we will support and contact all four factions. As for being close to someone, how are you going to measure that. That's difficult to determine. We are dealing with them in order to.... Right? Parents don't love all their children equally. But in principle, we will deal with all four factions. I think that UNTAC views things like that so that they will have a basis for attacking us and making bigger gains for themselves.

[Piyanat/Uaiphon] Let me ask you frankly, in actual practice, can the border really be closed in accord with the UN resolution?

[Chettha] If we really want to do that, we can. But that will require a large number of troops. If we use a large number of troops, we can seal the border. But if only a small number of troops are used, there will be holes. That can be done. It's just a matter of how resolute we are. (laughs)

[Piyanat/Uaiphon] Newspaper reports on logging operations indicate that the Thai military has been helping timber merchants transport timber across the border even though the border has now been closed. Is that true?

[Chettha] Who has said that? Hell. Those pictures are deceptive. How could we do that? I think that they were taken inside Cambodia. We have not done that. I think that they did that on purpose and that they are trying to put pressure on us. I have met with the commander of the Suranari Force. The Army commander in chief has corrected those stories. They simply took the pictures there. It's like the pictures of Phra Prachak. They are attacking a military unit. That is not fair. Pictures taken in such terrain.... Hell! They could have been taken anywhere or at any time. We don't know. How did they manage to take the pictures so easily in such terrain? The terrain in the lower northeast is very difficult. The land slopes and there are mountains, which form a screen. You can get through only through the mountain passes.

[Piyanat/Uaiphon] You said that we may have to act in a flexible manner in order to solve our problems. People may construe that to mean logging activities, too.

[Chettha] That refers to all types of business activities, with the exception of prohibited activities, which means that logs cannot be brought in. But it's all right to bring in finished lumber. Japanese lumber can be brought in because they operate 22 sawmills. I think that all of this is just a subterfuge. We have to admit that we have some weaknesses, and they have used those to attack us.

[Piyanat/Uaiphon] What are our weaknesses?

[Chettha] The things they have mentioned. Some of those things are true and some aren't. (laughs) But we think that most of those things are false. At the international level, we have denied those things, but we have to listen.

[Piyanat/Uaiphon] Do you think that UNTAC has a positive or negative view of the Thai military?

[Chettha] We have helped build roads and many other things. If they had a negative view of us, they probably wouldn't have asked us to serve as the engineer battalion of the United Nations. They may criticize Thailand for supporting the Khmer Rouge, saying that this has enabled the Khmer Rouge to survive and grow stronger. We have helped all the factions. As for the fighting, let them say what they want. The Khmer Rouge may have a larger number of troops stationed along our lower north-eastern border. That's because they have more troops. The Sihanouk and Son Sann factions have few troops. This is what things are like.

[Piyanat/Uaiphon] The United Nations has stated that the Thai military is not cooperating. An example is the difficulty UNTAC has in using the airfields.

[Chettha] That is an international matter. When it comes to military matters, there must be rules and regulations. They can't say that we aren't cooperating. Things must be fair. Second, there must first be an agreement. They can't fly in any time they want or use our military bases. I think that they understand this quite well. They have gone too far. That is, they are looking only at what benefits them. They are ignoring the interests of other countries. They have not considered the damage that that might cause or how that might violate our sovereignty. They are acting like a paper tiger who is trying to become a real tiger.

[Piyanat/Uaiphon] When did the issue of the airfield first arise? Did that arise during Air Field Marshal Woranat Aphichari's trip to Cambodia?

[Chettha] That's part of it. At that time, I was on stand-by at Aranyaprathet. UNTAC said that it would send an aircraft to pick him up. We waited and waited. They said that their aircraft had already left. They said that it had stopped at the Battambang airport and then left. They said that it had already left. But it never got here, and so he flew there himself. I don't know what happened, and so the matter had to be renegotiated.

[Piyanat/Uaiphon] And so when they landed in our country, we retaliated.

[Chettha] This will probably continue. They have to inform us. According to international principles, you can't enter another country without first informing that country. They can't establish military bases or checkpoints here without coordinating things with us and without gaining our approval. I don't think they have acted properly.

[Piyanat/Uaiphon] Concerning the fact that the United Nations wants to fly into Thai territory and use Thai airfields, what mission are they carrying out?

[Chettha] That's the question! I don't understand either. They have to tell us what their purpose is. Originally, they wanted to use Thailand as a transit point. They

wanted to bring in forces and base them in Thailand temporarily. And they wanted to set up checkpoints in Thailand. But that is not possible. No country in the world would allow that. No country will allow its sovereignty to be violated like that. Similarly, we won't allow them to do that unless we give them permission. If we agree, fine. But they can't tell us what to do.

[Piyanat/Uaiphon] Has there ever been such an agreement? Didn't the previous government, that is, the government of Anan Panyarachun, reach an agreement with them?

[Chettha] Regardless of what a previous government may or may not have done, the present government must approve this. But to answer your question, there has never been such an agreement. We can't do that. They are not acting properly. UNTAC is now being harshly criticized. [passage omitted]

[Piyanat/Uaiphon] Is UNTAC failing in its effort to restore peace in Cambodia?

[Chettha] Even Cambodians are critical. I think that people around the world view UNTAC as ineffective. UNTAC will have to try to exert pressure until May. They don't care about the number of factions, because their mission will end then. They don't care what happens after that. (laughs) Why should they care? It isn't their country. Even if they spend \$2 billion to buy peace, they will fail. Unless the Khmer Rouge participate, the fighting in Cambodia will just continue.

In principle, there is nothing wrong with this. We cannot be too flexible. The minister of foreign affairs, who used to head the National Security Council, is concerned about security. I sympathize with him. Conversely, I don't think that General Chatchai Chunhawan has said anything wrong. He has very progressive ideas. We should combine these ideas. There must be flexibility. In Thai fashion, I think that we can find a standpoint and combine things in line with the situation. Criticizing Minister Prasong is wrong. He is doing his best. Foreign affairs matters are very difficult and complex. People can't expect him to turn the situation around in just a few days. I respect both sides. Put simply, both sides have good intentions.

[Piyanat/Uaiphon] We once interviewed Professor Kraissak Chunhawan. He feels that the Thai military and bureaucracy continue to cling to old ideas. That is, they are afraid of Vietnam and so they feel that we must support the Khmer Rouge and use them as a buffer. Also, the Thai military is upset by the fact that UNTAC did not offer them a high position, which has affected the military's willingness to cooperate.

[Chettha] We are no longer thinking about that, because they don't want us. That's because Thailand has a stake in what happens there. They have to choose a neutral country. We know our position. As for being suspicious of Vietnam, that's true. We know that their strategy is to gain control of our country. Let me put it another way.

How can we not be suspicious of them? Their objective has not changed. They definitely want to expand their territory in the northeast. That is one of their national objectives. We know that. We can't accept that. If that is not the case, they will have to change their objective. And I think that that is necessary for Vietnam because of the nature of their terrain. They have weaknesses. Their country is very narrow. That poses a danger. Thus, if they expand in accord with their objectives, they will be safer. We must be careful. History has taught us this. Some of the things said by Professor Kraissak are valid. We are suspicious of Burma, too. History has taught us to be suspicious of them. Even though things have changed now, I think that their policies, or national objectives, remain unchanged. It's just that they have postponed things for the time being because of their poor economy. During the 10 years that I have been responsible for things along the border, I never thought that Vietnam would launch a major attack against Thailand or invade our country in order to seize territory. I based that on the fact that their economy is in such bad shape. After two days of fighting, they would be in a terrible position. If they could have invaded us, they would have done so. We have data about this. We can't trust them.

[Piyanat/Uaiphon] Many people have said that the situation is now calm, that there is no longer any tension in that area, and that the battlefield has been turned into a marketplace.

[Chettha] This is what we must be careful about. There must be trade. But with respect to military matters, I have to carry out my duties. We must be prepared. Their objectives have not changed. They have simply put things on hold temporarily so that they can revive their economy. Let's wait awhile. Then we will know.

[Piyanat/Uaiphon] In evaluating Vietnam's strength or potential, has the military considered the collapse of the Soviet Union and the fact that they have stopped providing support?

[Chettha] That has improved the situation somewhat, and we feel more comfortable. If Russia maintains its past position, there will be cause for concern. We can't say that we aren't concerned. Russia has collapsed. They don't know on whom to rely. They will probably have to postpone things. But we have to be careful. If you want to see the value of being prepared militarily, you should travel to the border. Anyone can easily cross the border. People who are armed cross the border, and the villagers have to flee. You have to go there if you want to understand. Sitting in an air-conditioned room, all you can talk about is principles. People know very little about the situation in the countryside. Little is printed about the situation there. If you go into the jungle, you will learn what things are like. If someone doesn't like you, they will shoot you. You can imagine what things are like at the international level. It's very frightening.

[Piyanat/Uaiphon] Is there any chance of ending the mutual suspicion between Thailand and Vietnam?

[Chettha] It will take time. There is a chance of that. Don't forget that throughout history, Vietnam has never defeated us. Thus, I am not afraid. But as a communist country, Vietnam has spent huge sums on its military for offensive purposes. Thus, it looks quite strong. They have one of the largest armies in the world. But they have never defeated us. The national objectives of our two countries are different. We have made it clear that we will never invade another country. But just the opposite is true for them. And militarily, we are still not set up defensively. I think that we must proceed slowly. We should not rush things, because this is a complex matter. A mistake could cost us dearly.

### **General Surayut Profiled, Talks on Strategic Issues**

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[Interview with Lieutenant General Surayut Chulanon, commander of the Army Special Warfare Command, on 30 December 1992 in Lopburi by Piyanat Worasiri and Uaiphon Taechutrakun]

#### **[Excerpts] Who is Lieutenant General Surayut Chulanon?**

This officer has been quite successful in his military life. He reached the rank of major general at a relatively young age and now, with the rank of lieutenant general, commands a very important army unit, that is, the Special Warfare Command, which is a very strong attack unit. The life of this general is also special in several other ways.

He is the son of the [former] military commander of the Communist Party of Thailand [CPT], whose nickname is "Uncle Khamtan." The real name of this former Army officer is Lieutenant Colonel Phayom Chulanon, who was an abrasive man in the Army and who served as a member of parliament [MP] from Phetburi before the political storm finally forced him to join the CPT. Later on, he became an important official in the party.

While his father was a powerful figure in the people's forces of the Communist Party, Lt. Gen. Surayut rose through the ranks of the Royal Thai Army. The personal relationship between father and son was in direct conflict with their "mission and duty." In his military life, Lt. Gen. Surayut constantly had to prove his loyalty. During the period that the Thai Communists still wielded power, his superiors were always suspicious of him. "I was never assigned to a combat unit in a sensitive area," said Lt. Gen. Surayut concerning his military career during that period.

Proving himself fully and totally separating "family relations" from "mission and duty," Lt. Gen. Surayut rose through the ranks in the military. In particular, during the period that General Prem Tinsulanon, the "dovish" communist suppresser, commanded the 2d Military Region, he soon made Lt. Gen. Surayut his aide.

"He constantly watched to see how I felt and how I handled things between my duties as a military officer and my feelings toward my father," said Lt. Gen. Surayut about the time that he was close to Gen. Prem.

With the official approval of the Army commander, that is, Gen. Prem, he met with his father in China before his father's death. After his father's death in China, he traveled there to bring his father's "ashes" back to Thailand.

What is strange is that he was both a very "filial son" and a subordinate who had the trust of his superiors. Because he managed to avoid all suspicion, his colleagues and superiors viewed him as a very "unusual" man.

During the period that he served as a close aide to Gen. Prem Tinsulanon, he also had to engage in political activities. During that period, politicians had a very high regard for Lt. Gen. Surayut. Even though he had to participate in solving the rice price problems, none of the politicians who had contact with him ever viewed him in a negative light.

Politicians viewed him as a wise, polite, orderly, respectful, and decisive person. In particular, Bunchu Rotchanasathian, the present deputy prime minister, who worked with Lt. Gen. Surayut during that period, found him to be a very capable officer of great character.

In addition to his relations with politicians, Lt. Gen. Surayut also earned the praise of academics and university instructors. He participated in scholarly seminars at several universities. With respect to his views on political and economic security, academics viewed him as a military officer of great vision. In particular, his views on the international political and economic situation were very penetrating.

Lt. Gen. Surayut was not admired just by politicians, academics, and other civilians. His military career was filled with the accomplishments of a rather successful "soldier."

During the terrible events of May [1992], Lt. Gen. Surayut proved himself to be a loyal "subordinate" who was ready to stand shoulder to shoulder with his superiors. He took full responsibility in place of his superiors following a conference on the terrible May events, which was held in the auditorium at Thammasat University.

In the view of "military reporters," the future looks bright for Lt. Gen. Surayut in view of the fact that fellow members of Class 12 are taking over in place of members of other classes. They are looking at the role being played by Lt. Gen. Surayut and the strong roles being played by Lt. Gen. Samphao Chusi, a fellow classmate who is currently serving as the Army air defense commander, Lt. Gen. Chamnan Phasunan, the deputy commander of the 1st Army Region, Maj. Gen. Udom Mewichit, the commander of the AAA Division, and Maj. Gen. Bunrot Somthat, the commander of the 2d Special Forces Division. [passage omitted]

[Piyanat/Uaiphon] In your view, what is the present state of the military?

In the past period, the military has been strongly criticized. There has been a feeling of great frustration. Do you think that this has gone too far and that the soldiers and the military have been misunderstood? Or does the military realize that this is the way it has to be?

[Surayut] There have been various currents, both strong and weak. It all depends on what happens. If things are explained and people understand, relations will improve. In the past period, people have criticized the military harshly and put pressure on the military. But that doesn't mean that so much pressure has been applied that the military can't bear it. Soldiers realized a long time ago that in the wake of the terrible events of May, we will have to reduce our role and be more patient. This is because we want the country to be peaceful and to move in the right direction. If we do something that leads to more turmoil, the country will not be at peace. Two days ago, the Army commander talked about solidarity and mentioned the king's remarks about maintaining solidarity.

I think that this is a time when we should be thinking about how to bring greater calm to the country. If conflicts do not arise, foreign friends of mine have said that Thailand is ready. But political problems have made it impossible to move ahead faster. If we did not have these political problems or if we could solve these problems, we would be able to move ahead much faster.

[Piyanat/Uaiphon] As a senior military commander, to what extent have you had to deal with "emotional" matters stemming from political pressure from subordinates?

[Surayut] We have talked frequently. Everyone realizes that we must make adjustments and change the way we do things. There are few problems in my unit, because our work has little to do with things in Bangkok or other cities. Most of our activities are carried on in remote areas. We are occupied with our work.

[Piyanat/Uaiphon] Can it be said that the soldiers who are stationed in Bangkok or near the sources of the pressure feel greater frustration than those stationed in the provinces or remote areas?

[Surayut] That's probably true. That's probably correct.

[Piyanat/Uaiphon] Then there is a lack of unity in the military in terms of how people feel.

[Surayut] That isn't correct. That's true of just some groups.

[Piyanat/Uaiphon] Of which there are very few, is that correct?

[Surayut] I don't know how many there are. That depends on the people. KHAO PHISSET should help find out how many there are. (laughs) [passage omitted]

[Piyanat/Uaiphon] As for the things that are now upsetting people, do you think that this stems from problems in the past that have not yet been resolved?

[Surayut] It will take time to resolve these things. You can't prevent people from thinking or feeling the way they do. As I have said, what is actually done will be the proof, and it will take time. The picture is still fresh in people's minds. It will take time. We must be patient and try to prove ourselves. [passage omitted]

[Piyanat/Uaiphon] There are real pressures on the military. With which are you more concerned, the pressures stemming from the international situation, which is moving in the direction of greater democracy, or the pressures stemming from the fact that the political power of the military is declining?

[Surayut] Now that the Cold War has ended, the nature of the threat has changed. This is an important factor that has made us realize that the size of the military should be reduced accordingly. A second factor is our economic situation. Unless we revise the budget and place greater weight on other important sectors such as education and the development of remote areas, we will lag behind. Soldiers know that they must make adjustments regarding this and realize that the size of the military must be reduced, because the threat has declined. However, there are still some regional conflicts, and the military must be ready to respond if it becomes necessary to use military force. I agree with the government's policy, which holds that military measures must be the last measures used to solve a problem. That means that military measures will be used only if all other measures have failed. We agree with this. Besides this, each country in this region has certain capabilities, and we are trying to keep up with them. Because if a country has many resources but it is weaker in terms of its defense capabilities, it could face pressures on many fronts.

As for pressures within the military because of the decline in the military's political power, I don't think that that is the case. I think that our society has become more politically aware. Everyone knows that the people want a democratic form of government. I think that as Thais, soldiers are satisfied with this system. As Prime Minister Chuan said, this is the best system. Steps will be taken to ensure that this is harmony with the nature of Thai life and Thai methods and in line with the needs and hopes of the people. Steps will be taken to ensure that people accept the system instead of groups of people.

[Piyanat/Uaiphon] Some people have said that even though the situation in the region and the world has forced the military to make reforms or reduce its role, it probably won't be long before the importance of the military, or militarism, rises again in this region. What is your view on this?

[Surayut] I don't think that we will see a rise in militarism. But economic competition will lead to conflicts.

And in some cases, it may not be possible to resolve those conflicts through negotiations. It may be necessary to use the final means, that is military force. There are various economic interests in the South China Sea. Five or six countries claim ownership rights to the Spratley Islands, which are thought to be an important source of resources, particularly oil. If the negotiations fail, military force will probably be used, which would not be good. Several countries are now monitoring this.

Take Japan, for example. As compared with its economic might, the size of its military budget is quite small. We will have to watch and see what steps the countries that are strong economically take to build up or expand their military forces. Based on how they expand their forces, we will be able to tell how they plan to use those forces. To give you a simple example, if a country builds up its naval forces and has a navy capable of operating far from home, that indicates that they are prepared to use force in distant areas. If they have an air force with long-range attack aircraft, that indicates that they plan to use their forces for offensive operations. In short, those things indicate if a country plans to use its forces for offensive or defensive purposes.

[Piyanat/Uaiphon] Now that the United States has withdrawn its forces from Subic Bay and the Soviet Union has lost its military influence in this region, what do you think the military balance of power in this region will be like, particularly between China and Japan?

[Surayut] They are expanding their naval forces. But the United States has not abandoned this region. It still attaches importance to this region. It's just that they may reduce the forces used to maintain the situation. But they will probably continue to view this as an area of strategic importance. China and Japan will probably increase their presence to fill the void. And besides China and Japan, India, too, is building up its Navy.

Sea communications and resources in marine economic zones will probably lead to international conflicts in the future. Land resources are almost exhausted. Countries will have to start looking for resources beneath the sea, such as gas, oil, and minerals.

Japan now wants to increase the size of its military budget, which has been limited, saying that now that the United States has withdrawn, it must take steps to defend itself. North Korea has nuclear weapons, which makes Japan very uneasy. Japan wonders if it has the capabilities to defend itself and retaliate if necessary. They are very concerned about this and are probably making preparations to defend their country.

[Piyanat/Uaiphon] Could you give us a few details about the military build up of countries in this region based on what you said above?

[Surayut] India's Navy has aircraft carriers and submarines. Their Navy can operate in areas far from home.

[Piyanat/Uaiphon] Is China's military build up something to be concerned about, particularly the fact that they have built a road through Burma to the Gulf of Martaban?

[Surayut] At this stage, relations between China and Burma shouldn't affect Thailand. They are trading with each other normally. China is selling some weapons to Burma. As for the reports that China has established a Naval base in the Gulf of Martaban, I don't have any clear information on that. But from watching the news, I do know that China is shipping goods from southern China and selling them in Burma. That could be a matter of the provinces that produce the goods selling the goods in order to develop the province. In return, China is buying timber and jade.

[Piyanat/Uaiphon] During the time of the Cold War, the balance of power in this region was divided between the United States and the Soviet Union. In the future, will there be a tripartite balance of power between China, India, and Japan, or will there be some other balance of power?

[Surayut] Asia is composed of large countries such as China, Japan, and India and the ASEAN countries, which have a rather close relationship with each other and which can serve as a counterbalance on the trade, international political, and military fronts. We are not yet in a position to serve as a counterbalance to anyone.

[Piyanat/Uaiphon] Between the situation in Cambodia, which seems to be growing more and more tense now that the Khmer Rouge has refused to lay down its weapons, and the conflict over the Spratley Islands, which spot is most likely to cause tension in this region?

[Surayut] As for Cambodia, now that the United Nations is monitoring things there, the chances of that leading to a violent conflict have been greatly reduced. We are more concerned that the conflict over the Spratley Island will lead to violence. But Thailand is not involved in that matter. Our economic zone does not extend that far. But this is a regional matter that involves members of ASEAN. Regional negotiations have been held on this problem, and it was agreed that an attempt would be made to find a peaceful solution to the problem. But no further progress has been made. We don't know if there will be fighting. The main parties involved in this dispute are China and Vietnam. They have held bilateral talks, but little has been achieved. We are monitoring this. If the talks make progress, the level of tension will probably decline. But at present, the situation is still the same, that is, the tension has neither increased nor decreased.

The ASEAN countries do not have any agreement calling for helping each other militarily. But we do not want any fighting to break out in this region. That would affect preparations for defending ourselves, and that would cost money. If the situation eases, we will not have to increase military spending. [passage omitted]

[Piyanat/Uaiphon] Based on the questions concerning possible future trends in the regional situation, do you think that this will be in line with the military reform policy implemented by former military commanders and the present government, that is, the policy that calls for reducing the size of the military and having the military stay out of politics?

[Surayut] As for downsizing the military, we have usually talked about reducing the number of troops. But this also involves several other things. For example, we must also consider the reserves system and modern technology. The Army commander in chief has asked us to consider the fact that today's society is an information society. Information is transmitted very quickly. We must find a way to quickly respond to or deal with the situations that arise. After discussing matters, we have reached the conclusion that communications and liaison are very important. We must modernize our communications systems. If our system is slow and outdated, we won't be able to keep up with today's communications. Upgrading this will improve our work. As for modern technology, this is 3d- or 5th-year technology. We must procure some of this technology. But this doesn't mean that we must purchase large quantities of technology. We need to buy a little in order to train ourselves and keep up with modern technology. If we have to make preparations in the future, we can obtain the technology then.

As for the military budget, we will reduce the budget over a five-10 years period. People probably won't see much of a reduction in just one year. But this year, if people look, they will see that expenditures have not increased very much. There are several expenditure categories, such as money for personnel and money for expanding various units. The budget won't increase and should remain at a satisfactory level. It should be in accord with the targets. Some people may say that the military budget has increased every year. This year the military's budget is 60 billion baht, and next year it will undoubtedly increase 10 percent, because inflation, the cost of living, and the cost of oil are all increasing. Just because it is 60 billion this year does not mean that it can remain at 60 billion next year. Right? That is, everything will remain the same, but the budget has to be increased 10-14 percent.

[Piyanat/Uaiphon] What about the secret budget fund, which is usually criticized every time the national budget act is submitted to parliament? How much do you think this should be reduced, and should the military be required to disclose how these funds are used as some people have demanded?

[Surayut] There is still a need for the secret budget. But it has been reduced. I can't tell you everything about this, because I don't know everything. But there is a need for these funds. Stated simply, the funds are used for intelligence purposes. They aren't used in ways that will create problems. As for the details, I don't know how each unit uses the money. All I can tell you is that is that the secret budget must be maintained at a certain level.

The military is not the only entity to have a secret budget. Certain ministries have secret budgets, too. They probably use the same methods. That is, the money is probably used for intelligence purposes.

As for revealing how the money is spent, we should look at how other countries handle this. The developed countries have a subcommittee that has been authorized to see secret information and that can audit these funds. But this does not mean that everything about the use of these funds can be disclosed. That is not possible. That would be like revealing secrets to other people. It would be like walking around naked. (laughs) That is something you can't do.

[Piyanat/Uaiphon] Does the prime minister know how the secret budget funds are being used?

[Surayut] Yes, he does. I think that he probably knows. Prime Minister Chuan Likphai has said that he wants to be kept informed about this. I don't think that there will be any problems or objections if leader of the country wants to know how the funds are being used.

[Piyanat/Uaiphon] The tendency in this region and the world is toward peace rather than tension. Because of this, the policy is to reduce the size or political role of the military. But if the importance of military activities increases because of increased tension in this region as we discussed above, will there be a revival of military power or a return to a non-democratic political system in Thailand?

[Surayut] Unless we become directly involved in the conflicts, I don't think that anything will happen. I think that we will be able to maintain our present administrative system. No one can predict for sure what will happen in the future. All we can do is make predictions and monitor things. Sometimes we have no way of knowing what will happen no matter how good our intelligence. An example is the collapse of the Soviet Union. American intelligence units had no idea that the Soviet Union was going to collapse. No one thought that that would happen.

[Piyanat/Uaiphon] There are many racial problems and conflicts in the world today. The Cold War between different ideologies may have ended, but this seems to mark the beginning of race wars. The world could "heat up" again.

[Surayut] Yes, there are small conflicts and administrative and border disputes. This is because in the past, the borders of some countries were determined during the colonial era, and this is not in accord with the lives of the people. A racial group may have been divided between two countries. It will take awhile for these racial groups to make adjustments. The areas in which people are very interested are northern Asia and southern Asia, or the republics of the former Soviet Union. These former republics are having problems making adjustments. As

an Asian country, Thailand should take an interest in this, too. There are both racial and religious links. [passage omitted]

[Piyanat/Uaiphon] This may be looking somewhat far into the future, but I would like to ask your opinion on the revival of the military's power and role or the revival of semi-democracy in which the military plays a political role as in the past. Will this be necessary if the country gets into a war or faces the pressures of war?

[Surayut] That is something that I cannot predict. (laughs) But looking back at England, which is a model of democracy, if I remember correctly, during the time of the Churchill administration, there were no elections. Instead, Churchill's political party was simply put in power, with Churchill assuming the position of prime minister. As for us, I think that that should come from the Thai people at that time. It should depend on what the people want. There should be coordination between those at the bottom and those at the top. If everything flows from the top down, nothing will be achieved.

[Piyanat/Uaiphon] The above question is based on actual history. That is, the Thai military has wielded political power for a long time. Now, that power has been reduced. But something may happen that will facilitate the military's return to political power. That is, if there is great tension stemming from the pressures of war, will that facilitate the military's return to political power out of "necessity," or is there some other way to deal with such situations?

[Surayut] There are probably other ways if we design a rather clear system. There will be periods of administration in which there are links between operations in critical periods and normal periods. We should conduct studies and formulate a system so that if the cabinet can't meet, there can be emergency meetings and national leaders or administrators can issue orders. In any event, this is a matter for the security sector, that is, the National Security Council. It should be the one to consider this and make recommendations on what the system should be like. There must be two systems, a peacetime administrative system and a system for managing things in times of emergencies. If these systems are put in place, I am sure that things will function in accord with the system. Steps in this direction have been taken in the past, but we need to review this and see if everything is suitable.

[Piyanat/Uaiphon] Do you think that the present political and administrative structure will reduce the political role of the military to the point where soldiers finally become truly professional soldiers?

[Surayut] That is a possibility. I think that that will happen. But it will take time. It's like reducing the size of our military forces. It will take time to change the views and feelings of people in certain circles.

[Piyanat/Uaiphon] In general, military leaders and certain political leaders have expressed views similar to

yours. That is, it will take time to reduce the military's political role. Time may be one factor. But do you think that there are other factors that can help reduce the influence and role of the military in political circles?

[Surayut] Time is very important, but there are definitely other factors as well. One is the nature of society. If people in society love solidarity and help each other, I think that this will change quickly. But if there are splits and conflicts in society and people divide into various cliques and factions, that will be difficult. If our society can make these adjustments, we will go along. And we will take the lead in this. I think that things will proceed well. And things should proceed quickly. Everyone will have to help. One group can't do everything by itself. Everyone, including the opposition political parties, must put the nation's interests above the party's interests.

[Piyanat/Uaiphon] Given the present state of society, do you think that we have reached the point that everyone wants to reach?

[Surayut] Not yet. We still haven't reached that point. The same is true of the political situation. There are still those who think that they must try to restore their former image. To do that, I think it will take time. The political picture is similar to the military picture. It will take time to regain the people's trust. And there is only one way to do that and that is by taking action. Simply spreading propaganda won't accomplish anything. (laughs) People must prove themselves through their actions. If the people see that we have done something good, they will accept us.

[Piyanat/Uaiphon] There are those who say that if politicians act properly and the political situation is good, the military probably won't stage a coup or interfere in politics. But no military leader has defined the term "act properly." Can you define this or set a standard by which to measure a good politician or good political situation?

[Surayut] Both a system and an individual are temporary entities, but a system is probably more lasting. Everyone has faith in a political system. That system will have methods for selecting people and determining which people have the qualities necessary for entering the system. All of those in the system will be people who have been elected and screened. What we want to see is a system in which things are examined and in which there is balance and mutual support.

[Piyanat/Uaiphon] It has also been suggested that within the framework of the present political and administrative system, it's impossible for politicians and political parties to reach the level that they should. That is, they don't have a chance to become parties with a strong mass base. Do you agree with this?

[Surayut] It's difficult. It will be difficult to achieve anything as long as we have a canvasser system. There must be a party system that is really in touch with the people instead of having mutual interests at certain

times only. Because if the foundation of democracy is not secure, it may collapse at any time. But if the foundation is strong and firmly rooted at the base, that is, at the village and subdistrict levels, I don't think that it will collapse.

[Piyanat/Uaiphon] Would it be correct to say that you support a distribution of power?

[Surayut] I agree 100 percent. (laughs)

[Piyanat/Uaiphon] The previous two-three questions have concerned distributing power or giving the people more administrative power, such as turning the subdistrict councils into legal persons and holding elections for the position of provincial governor. What is your view on this. Also, the disputes over distributing power could affect security like the separatist issue.

[Surayut] As for distributing power, I think that we should use the phrase "distribute responsibility" within a democratic system of administration. We should distribute responsibility to people at the lower levels so that they can handle things themselves. They can then bring the problems to the attention of those at the center. Until the people take responsibility, democracy will be insecure. It will be a democratic system from the top. That will not achieve very much. Actually, these two systems must move in opposite directions, that is, from the top to the bottom and from the bottom to the top, if they are to function properly. As far as security is concerned, once we have dealt with the matter of distributing responsibility and created a feeling of solidarity among the people of the country, there won't be any reason to worry about the issue of separatism. It will take time. People have to understand each other. People often look down on minority groups or the underprivileged. That is not a good way of looking at people.

As I said, I prefer to use the term distribute responsibility. I don't like the word "power," because that word makes people jealous. People want to gain power. But if we use the word responsibility, people stop and wonder, "Responsible for what?" (laughs) Am I right? If those who come forward are willing to take responsibility, they are probably people who are ready to make sacrifices and do whatever is necessary. If we can distribute power like that, initially, we will have to have highly capable political leaders who can help reform the system. That will be necessary. People have frequently asked, Which is more important, individuals or the system? But the answer is, both are important. The two can't be separated. If the people are good but the system is bad, nothing can be done. It won't be long before the people give up and things will collapse.

The system and people must be joined together. Unless we make a start and try to adjust things, nothing will happen. But we have now made a start. Many of those involved in politics are capable people. Many represent new blood. As for those who lack skills, they will probably be weeded out. In future elections, they will probably lose. All of this will take time. Some people are afraid that the system of buying

votes will enable these people to win election again. They may win reelection, but they won't perform their administrative duties, and their power and influence will gradually decline. Over the course of two-three terms, they will lose their popularity.

[Piyanat/Uaiphon] Does that mean that you support having elected provincial governors?

[Surayut] That will probably have to wait, because today's administrative system is somewhat different. That is, this is characterized by joint administrative centers. If we make adjustments concerning the distribution of responsibility, we will have to consider how the present bureaucracy should be changed before we thinking about making changes at the provincial level. This concerns many ministries. It doesn't involve just the Ministry of Interior. This also concerns the ministries of agriculture and public health. There are five main ministries that will have to consider this and figure out a way to change the structure.

[Piyanat/Uaiphon] In your view, what are the real problems with Thai society? Take the matter of distributing responsibilities, for example. Some people think that that will take time, that things should be done gradually, and that the role of the five main ministries must be preserved as if putting some medicine on a cut. But others think that it is too late to simply apply some medicine and that an operation must be performed because the disease has already spread.

[Surayut] I think that things must proceed in an evolutionary way. I am not in favor of an "operation." If there is an operation, that will have a great effect on our present system. I don't know if the people would accept such a change.

This question was asked in Lopburi Province. During the Different Views program, listeners heard people express views on the situation in Lopburi. When people were asked if they favored electing the provincial governor, most said the province wasn't ready for this because of the differences between urban and rural society. Urban society has progressed rapidly, but rural society is still quite backward. It hasn't been able to keep up. This is what needs to be reviewed. If we remove urban society, where does that leave rural society? It will take time. If you are talking only about Bangkok, that's fine, because Bangkok already has an elected governor. (laughs) But what can be done in the case of rural society or provinces where there are links between urban society and rural society?

[Piyanat/Uaiphon] Based on people's views on distributing power, it seems that the people with power are afraid of losing power. They don't want to lose power, nor responsibility. Thus, little progress is made in solving the problems. The center is at one point. What can be done to break up this mass?

[Surayut] It probably isn't possible to get rid of those with real power. (laughs) In my view, the political parties should formulate policies. They should attach importance to their policies and see if the people support them. This involves making changes. If the people agree, they will elect that political party, which can then make changes. I think that this is the best way to solve the problem. Today, there is still confusion. This party has this policy, and that party has that policy, but nothing is clear. During the next election, people should make it clear what their party's policy is. They should present their views clearly and say what they will do if elected. There are 2-3 years left before the next election. That is enough time to make preparations and study the data.

[Piyanat/Uaiphon] In some provinces, looking into the future, who knows how long it will be before changes are made. This is why some people say that it is necessary to distribute power quickly.

[Surayut] The people must be given a chance to govern themselves. By that time, everything must be strong enough. The political parties must be strong. Otherwise, individuals won't be able to survive, and many different problems will arise. The center won't be able to handle all the problems in time. But if the people are responsible for some of the things, they will be able to handle things in time. [passage omitted]

## ECONOMIC

### Further on Chuan's Budget Report, Priorities

93SE0106A Bangkok SIAM RAT in Thai 17 Dec 92 pp 2, 4

[Address by Prime Minister Chuan Likphai to parliament]

[Excerpts] [passage omitted] As for 1993, it is thought that Thailand's economy will continue to grow at a suitable rate, that is, approximately 7.8 percent, which is higher than in 1992. Inflation is expected to remain around 4-5 percent. However, the current account balance is expected to show a deficit of approximately 7 percent of gross product. This is because the growth of the economy and the accumulation of treasury inventories will lead to an increase in imports.

### Monetary Situation and Policy [passage omitted]

In 1993, the government will monitor the implementation of the monetary policy to ensure that the economy grows at a stable pace and to ensure that the activities of the various financial institutions facilitate national development. The government will consider implementing a policy of relaxing various restrictions in order to ensure liquidity in the financial system, take steps to improve the quality of the operations of the financial institutions, and support both short- and long-term savings. Besides this, steps will be taken to increase the efficiency of the loan repayment system and implement measures that will help turn Thailand into a regional financial center. [passage omitted]

### Fiscal Situation and Policy [passage omitted]

The government will closely monitor treasury reserves. Expenditures may be authorized in times of emergencies or to fulfill obligations under the law. Expenditures will also be authorized in order to enable the country to fulfill its foreign commitments, to pay off debts, and to buy foreign currencies in order to prevent damage from exchange rates. [passage omitted]

### Mr. Speaker:

Based on our economic situation, on our monetary and fiscal policies as outlined above, and on the 1993 budget, the government is confident that Thailand's economy will be able to grow in a stable manner. To this end, the government will use the budget as an important tool in developing the economy based on the policies submitted to parliament by the government, particularly in helping to distribute income and growth to the provinces and rural areas, which will help increase economic stability in the long term.

### Important Elements of the Expenditure Budget

The government has proposed a budget of 500 billion baht, an increase of 99.9 billion baht, or 21.6 percent, as compared with the previous fiscal year. Investment expenditures will total 172,165 million baht. Thus, investment expenditures will account for 30.7 percent of the total budget as compared with 28.4 percent in 1992. Regular expenditures and loan repayment expenditures will total 387,835 million baht. These will account for 69.3 percent of the total budget as compared with 71.6 percent last year. Besides being used to pay expenses in accord with the plans and commitments, these budget funds will also be used to support the policies of the government, which attaches great importance to stepping up development and solving the economic and social problems. This money will be used to improve education and public health, develop basic services, and increase the efficiency of agricultural and industrial production and services. The emphasis will be on distributing development to the regions and localities. Some of the important issues are as follows:

### Administration, Foreign Affairs, and Security

To maintain security and order, ensure justice, and implement the foreign policy of the state, the government has allocated a total of 178,755 million baht. This money will be used to support the operations of the state units in providing services to the people, step up activities based on the government's policies of improving efficiency in carrying on official activities, and promote Thailand's economic interests abroad. A total of 89,060 million baht has been earmarked for maintaining security, which is an increase of 11,700 million baht, or 15 percent, as compared with 1992. This money will be used to increase the country's security in line with the

changing situation in the world today. We will improve our military so that it is the right size and purchase modern weapons and equipment in order to ensure our ability to defend and maintain the independence, sovereignty, and interests of the nation. This includes the military's role in developing the country and improving the welfare of lower-ranking soldiers by building housing and other facilities for the soldiers. A total of 3,270 million baht has been earmarked for this, which is an increase of 860 million baht, or 36 percent, as compared with before.

### The Economy

There are still certain segments of the population that are still very poor. Economic growth has not spread everywhere. Thus, the government has allotted budget funds for various things that will directly benefit the people and that will give people in all occupational sectors a chance to raise their standard of living.

#### 1. Agriculture

Today, farmers in general are still very poor. Farmers are in debt, agricultural prices are low, and farmers lack production factors. In order to solve these problems, we have allocated 50,810 million baht, an increase of 10,280 million baht, or 25 percent, as compared with last year. This money will be used to carry on activities based on the plans in line with the government's policies. Specifically:

In order to systematically help farmers in both production and marketing, another 6 billion baht has been authorized for the general fund. This money will be used to improve the structure of the agricultural production system in line with the nature of the area and market demand and to maintain the stability of agricultural produce prices. Funds have also been allotted to promote and develop animal husbandry, to promote the cultivation of interplanted fields, to promote fishing, with the emphasis on coastal and village pisciculture, to promote and develop commercial fresh-water piscicultural activities, and to develop the production data system in line with marketing. Distribution service centers and agricultural extension centers will be built at the regional level.

A total of 1,650 million baht, which is an increase of 670 million baht, or 69 percent, as compared with last year, has been allotted for carrying on land reform and issuing ownership documents. The targeted area for conducting surveys and issuing land right documents in the land reform zones has been increased from 2.5 million rai to 4 million rai.

A total of 12,265 million baht has been earmarked for the development of agricultural water sources in order to end water shortages. Water storage sites in various river basins will be developed, and the construction of water sites in the fields will be promoted. In fiscal year 1993, the area benefiting from the irrigation project will be expanded by 400,000 rai. Besides this, the water distribution and drainage systems will be improved and

maintained for the crop-growing areas in both the irrigation zones and areas receiving benefit. This will affect approximately 21.3 million rai.

In addition to the things discussed above, the government will help farmers by allotting 345 million baht to the Bank for Agriculture and Agricultural Cooperatives and granting 200 million baht in credits to small and poor farmers.

#### 2. Industry

The government has set the budget at 2,030 million baht, an increase of 400 million baht, or 25 percent, as compared with last year. This money will be used to support the policy of expanding the production base in the provinces, encouraging the construction of industrial factories that use local labor and raw materials, and encouraging the private sector to play a role in investing and building industrial settlements in the provinces. Besides this, the government will step up the development of labor skills so that our laborers have high quality and have the skills to match demand. Also, tests will be performed to guarantee the quality of our industrial products.

#### 3. Commerce

The government has allotted 2.3 billion baht for this sector, which is an increase of 880 million baht, or 62 percent, as compared with last year. [passage omitted]

Domestic commerce: The government will focus on maintaining price stability and protecting consumers to ensure that they are not exploited with respect to prices or quality. The government will also promote and develop trade and marketing in the provinces.

#### 4. Communications

The government has allotted 54,690 million baht, which is an increase of 18,180 million baht, or 50 percent, as compared with 1992. This money will be used to carry on activities in line with the policies of the government. Specifically:

Land communications: The development of the system of special highways between cities will be accelerated. Support will be given to conducting surveys and drawing up designs for approximately 645 km of roads—with the present shortage being approximately 1,800 km—in order to expand the four principal highways to the four regions. This must be done so that construction can get underway in 1994. Also, the government will promote better traffic management in the large cities by improving the master traffic plans and promoting traffic discipline among drivers in order to solve the present traffic problems and prevent problems from arising in other cities.

Water communications: The government has made preparations to develop the system of river and coastal transport. Four coastal ports will be built, and three dikes will be built to block the sand and waves along the

coastal channels. Also, 46 river channels within the country and channels that connect to the coast will be dredged.

**Air communications:** The government hopes to turn Thailand into an airways and air transport center in this region and expand domestic air transport by building four new airports and expanding and upgrading the 11 existing airports in the provinces.

## 5. Energy

A total of 400 million baht has been allotted to conduct surveys and produce electricity and other types of energy so that we have sufficient energy to satisfy demand and so that people in remote rural areas have electricity. Measures have been stipulated to ensure that energy is used in an efficient and frugal manner. Also, studies will be done and other energy sources will be developed so that they can be used as alternate sources of energy in the future.

## 6. Tourism

Because tourism is an important source of foreign currency revenues for the country and because this plays an important role in creating jobs and increasing the incomes of the people, the government has allotted a total of 1.5 billion baht in order to revive the tourist industry and promote the growth of this business sector. Steps will be taken to turn Thailand into a tourist center in this region. We will carry on public relations activities in order to expand tourist markets in 27 countries. Also, measures will be implemented to protect the safety of tourists and preserve the environment of the tourists sites.

## 7. Management of our Natural Resources and Environment

Today, the country's natural resources are deteriorating rapidly and the environment is becoming more and more polluted. Thus, the government attaches great importance to solving these problems. It has allotted 4,800 million baht, which is an increase of 2,050 million baht, or 74 percent as compared with last year, to quickly implement things in accord with the plans. Specifically:

**Management of the natural resources:** Attention will be focused on conserving and protecting our natural resources, including the land, forests, coastal marsh forests, and other resources, by stepping up afforestation and nurturing the ground cover on 1.4 million rai, encouraging local organizations and people to participate in looking after and maintaining the forests and planting community gardens, developing and restoring the headwater forests, and taking steps to stop the deterioration of the land resources. Besides this, a master plan has been formulated for coral management in places where this is urgent in order to protect and stop the deterioration of our coral resources.

**Solving the environmental problems:** The government attaches great importance to solving the water, air, and noise pollution problems and cleaning up the waste and garbage produced by communities, industrial plants, and various businesses. Particular attention will be focused on cleaning up the principal rivers and important rivers in the regions.

Besides this, the government will take steps to make people aware of the dangers that can arise because of the pollution and environmental problems. It will encourage communities and private development organizations to play a role in solving these problems. Another 500 million baht has been allotted to the Environmental Fund.

## Society

Social problems have arisen because of the rapid changes in the economic and social structures. Many problems have arisen and so urgent action must be taken to solve the following problems:

### 1. Education, Religion, Arts, and Culture:

The government is aware of the importance of education and so it has allotted a total of 109,870 million baht, an increase of 23,290 million baht, or 26.9 percent, as compared with last year, to carry on important activities in line with the government's policies:

Action must be taken to provide greater educational opportunities, particularly at the primary level. Thus, attention will be given to approximately 1.8 million pre-school children to ensure that they are ready to enter primary school. That is an increase of about 330,000 children as compared with last year. At the primary level, basic education will be increased from six years to nine years. It is thought that we will be able to accommodate another 400,000 students.

Educational equality will be increased by increasing the lunch fund from 330 to 920 million baht in order to help 366,000 pre-school and primary school children. Besides this, support will be given to establishing educational programs for approximately 25,000 people with physical and mental handicaps and economically and socially underprivileged people. A total of 500 million baht has been earmarked for this, which is an increase of 140 million baht.

Action will be taken to end the shortage of people for national development by producing graduates in fields that need people, such as doctors, dental surgeons, veterinarians, pharmacists, engineers, scientists, and architects. Also, short-term occupational seminars will be held in accord with the needs of the labor market.

Besides this, 1,760 million baht has been allotted to nurture religion and the arts and improve the morals and behavior of the people.

## 2. Improving the Quality of Life:

The government has allotted 36,400 million baht, an increase of 9,170 million baht, or 33.7 percent as compared with 1992, to carry on things in accord with the policies of the government. Specifically:

Basic public health services will be expanded in the provinces, particularly at the district and subdistrict levels, in conjunction with primary public health in order to increase the capabilities of the public health clinics in accord with the Decade of Development of Public Health Clinics Project. A total of 800 million baht has been allotted to build 200 new clinics and upgrade 150 existing clinics.

Medical equipment and implements will be purchased and modern technology will be imported in order to increase efficiency in providing medical treatment. Besides this, support will be given to conduct studies and develop the pharmaceutical and herbal industries in order to control and treat diseases that pose a danger to the people.

**Controlling AIDS:** A total of 1,120 million baht has been allotted for the AIDS Control Program.

A total of 35 million baht has been allotted for medical treatment for the elderly, people with low incomes, and military veterans. Welfare cards for medical treatment will be issued to 3 million people. A total of 3,260 million baht has been earmarked for this.

Steps will be taken to produce public health personnel in line with the target of expanding public health services. In particular, the target is to produce an additional 300 doctors a year in order to have enough doctors to satisfy demand and send doctors to the provinces.

People's health must be improved by encouraging children, youths, and other people to exercise and play sports. This will serve as a basis for improving the quality of life and developing people in the sports sector so that they have the same knowledge and progressive techniques as people abroad. A sports complex will be built to celebrate the 700th anniversary of Chiang Mai City. This will be completed in time for the 1995 sports games. Support will be given to build 105 open-air sports fields at the district and subdistrict levels. Emphasis will be placed on having the localities participate in developing their own sports activities. A total of 850 million baht has been earmarked for this.

## 3. The Labor Problem and the Development of Children, Women, and the Underprivileged:

The government has allotted 3,880 million baht, an increase of 1,900 million baht, or 96 percent, to carry on the following important activities:

**Labor development:** A total of 1,740 million baht has been allotted to promote and support training and labor skills development among youths who lack educational opportunities, the unemployed, and laborers who have

not developed their skills. This year, five more labor skills development institutes will be established. These will be capable of training 39,000 people. Also, services will be provided in finding jobs both here and abroad. Besides this, protections will be afforded to child and female workers at places of business, and the labor relations system will be supported.

**Child and youth development and welfare.**

**Helping the underprivileged in society:** A total of 1,270 million baht has been allotted to look after the welfare of the elderly and develop the knowledge and occupational capabilities of disabled people and military veterans. Also, 110 million baht has been allotted to help those who have suffered from natural disasters and public disasters and to develop women.

## 4. Solving the Housing Problem:

In order to help solve the housing problems of those with low incomes, the government has allotted 1,320 million baht to support the work of the National Housing Authority. This money will be used to build 6,400 low-income housing units, improve 2,210 slum units, and provide 8,730 units for people who lack housing. Besides this, another 500 million baht has been allotted for the Urban Poor Development Project. [passage omitted]

## Developing Scientific and Technological Capabilities

The government has allotted 2.5 billion baht to carry on activities in line with the government's policies. The emphasis will be on developing scientific and technological capabilities and encouraging the private sector to participate in developing modern technology for use in the industrial sector. Also, 500 million baht has been allotted to the research support fund. Besides this, the government attaches importance to developing and producing engineers, scientists, and technicians. To this end, it has increased educational, training, and research grants for both here and abroad.

## Restoring Bangkok and the Surrounding Areas

The government is intent on solving the problems of Bangkok and the surrounding areas stemming from the rapid and unsystematic growth. Thus, it has allotted 10,750 million baht to solve the traffic problems and develop communications. Specifically:

Steps will be taken to develop traffic and transport planning systems and personnel. A master traffic and transport plan will be formulated for Bangkok and the surrounding areas.

Urgent action will be taken to build the first-level mass transit electric train system, build a network of primary and secondary roads, build a bridge across the Chao Phraya River near the Nakhon Intra Temple, and build a road to link Tiwanon, Phetkasem and Rama 3 roads. A total of 8,180 million baht has been allotted for this.

Urgent action will be taken to improve the environment. This will be done by building a waste water treatment system, building a water drainage and flood control system, controlling and solving problems concerning wells and sink holes, cleaning up the polluted waters of the Chao Phraya River, controlling air pollution, and developing the capital. A total of 2.5 billion baht has been allotted for this.

Besides this, funds have been allotted to study the feasibility of building a second international airport for Bangkok.

#### **Distributing Growth to the Provinces and Rural Areas**

The important elements of the expenditure budget discussed above should help you [members of parliament] to see the government's intention of implementing its policies so that they achieve results in actual practice. However, as everyone knows, one of this government's important policies is to distribute growth to the provinces and rural areas. Urgent action will be taken to implement a system of basic economic and social services in order to increase the opportunity for economic development in the provinces and improve the quality of life of the people in the rural areas. I would like to point out that this administration will emphasize rural development and the distribution of growth to the provinces. Thus, we have allotted 156,182 million baht, an increase of 29 percent as compared with last year. Of this, 45,348 million baht will be used to carry on things in accord with the rural development plan, and 23,104 million baht will be used to support the distribution of basic economic services in accord with the policies. This money will be used to improve the communications, transport, water works, and electricity systems and to distribute production bases and jobs to the provinces. Also, 76,450 million baht has been allotted to provide basic social services. This money will be used, for example, to develop educational and medical facilities and improve housing for the people in the provinces. Another 11,280 million baht will be used to carry on things in accord with the Provincial Development Program, the Subdistrict Development Program, the Rural Development Fund, which is a project that was initiated by the king, and the Doi Tung Development Program. In carrying out these things, the government will make an effort to ensure that these budget funds are distributed to the various regions equally and fairly. [passage omitted]

#### **Engineer Views R&D Funding Priorities**

93SE0149A Bangkok *THE SUNDAY POST* in English  
24 Jan 93 p 24

[Article by Dr Yongyut Ythawong: "Is Thailand Spending Too Much on R&D?"]

[Excerpts] There is a widespread myth, believed by a wide sector of the educated public, that Thailand is spending too much on research and development (R&D). [passage omitted]

While the word "research and development" does seem to crop up quite often in the budget requests, it is not correct to say that Thailand is spending too much on it. In fact, the truth is quite the opposite. Computer compilation has shown that the budget requests for research activities of government agencies amounted to 4,000 million baht. While this may sound like a lot to some, it amounts to less than 0.8 percent of the government budget and less than 0.3 percent of the gross national product (GNP) of the country, putting Thailand in the list of countries which spend the least on research and development.

In comparison, the newly industrialized countries in this region—Singapore, Taiwan, and Korea, for example—spend from one to two percent of their GNP: on R&D. Indeed, the R&D spending, which is usually taken as a measure of status of economic advancement among countries, indicates who the real "tigers" are in this region, and the record for Thailand does not give much confidence for its future.

Why, it may be asked, must Thailand have its own R&D? Why cannot we rely on buying technology from other, more advanced countries and just concentrate on operating the machines and processes well, and profit from our basic advantages in labor and raw materials?

The questions are fair, especially when one considers the fact that Thailand is now severely short of scientific and technical manpower, so much so that it cannot hope to do competitive R&D in all areas required for its balanced development.

We must admit that for the most part we will indeed have to rely on importing the technologies required for our development far into the future. However, the important point is that R&D is necessary even if we want to rely on the strategy of importing technology from abroad. In order to make this point clear, it should be realized that R&D is not only about discovering radically new products and processes, but also adaptation and improvement of known products and processes, imported or otherwise. [passage omitted]

As noted above, the R&D spending for Thailand is unusually low by world standard for country of this economic status. The figure started at about 0.3 per cent when statistics was first collected about 15 years ago, and has been steadily declining because the GNP has been growing at a rate faster than the R&D spending. Because R&D spending, like education and infrastructure building, is investment for the future, this means that Thailand has been under-investing in R&D relative to its growth in the economy. [passage omitted]

The Seventh Economic and Social Development Plan has taken the need for R&D into account, and has targeted the spending to be 0.75 per cent of the GNP by the end of the plan period four years from now, 0.5 per cent of which should come from the government sector and the rest from the private sector. This spending should allow significant R&D activity, the primary

objective of which has been determined to increase productivity in both agriculture and industry, and to lead to more diverse products and processes. Moreover, it should also allow a small but necessary basic research activity to be undertaken in order to provide a healthy basis for our future development and scientific and technical manpower production.

Back to the assertion that there are "too many research projects" already. How did this impression come about in the light of low R&D support shown by statistics? The explanation of this paradox lies first in the fact that the word "research" in budget requests is used in a very broad sense, including survey and other activities which are strictly no R&D linked to science, technology and productivity.

A closer look at these projects also reveal that they are generally quite fragmented and of such small sizes that they are not likely to meet the high objectives usually put forward. It is now increasingly realised that the traditional practice of giving inadequate support to research projects is, rather than achieving saving, quite wasteful since none of the projects can meet the objectives given.

In order to correct such inadequacies, the government has been adopting new approaches to research support. One of these new mechanisms is support through the National Science and Technology Development Agency (NSTDA), an agency set up outside the government bureaucracy a year ago to develop the new strategic areas

of science and technology deemed to be of crucial importance to the future of Thailand's economy, namely biotechnology, materials technology and electronics.

The agency concentrates on funding support for R&D in these three areas both to the public research agencies (mainly universities) and the private sector. Grants are given for generic R&D, in order to obtain new knowledge and technology required for upgrading performances in the industrial, agricultural and services sector. The private sector is also eligible to apply for loans on favourable terms to do proprietary R&D within the companies.

Significantly, a new mode of cooperation has been worked out whereby the universities and the private sector are matched to embark on targeted R&D with NSTDA support, resulting in new products and processes which otherwise would not have been obtained, since the private sector is still not confident in indigenous technology while the universities are too preoccupied with other, generally more basic research.

Examples of the results obtained include novel systems for treatment of effluent from starch factories which reduces the energy cost as well as pollution, plastic injection moulding machines which cost only a small fraction of imported machines, and electronic dictionaries already marketed by participating companies. [passage omitted]

## POLITICAL

### CPV Resolution on Work Related to Party Members

932E0034A Hanoi NHAN DAN in Vietnamese  
4 Nov 92 p 2

[Article by Nguyen Van Son: "Understanding Resolution of Third Plenum of CPV [Communist Party of Vietnam] Central Committee on Party Members-Related Work"]

[Text] Party organizations can be strong only when party members are strong. As the current situation requires, in the years to come the work having to do with party members must bring about changes in all three aspects: to improve through training party members' educational background, capabilities, intelligence, and qualities; to refine their ranks; and to achieve party development. To do so, we must first of all clearly define membership criteria. The Third Plenum of the CPV [Communist Party of Vietnam] Central Committee, Seventh Term, has adopted this definition: Party members must be those persons who have political understanding, are loyal to the socialist goals and ideals, put the interests of the fatherland and people above those of individuals, have morality and a wholesome life style, remain close and exemplary to the masses, strive to become good producers and workers and managers, fulfill any assigned tasks, correctly abide by the CPV statutes and state laws, regularly learn to improve their knowledge and working capacity, and show good perception in regard to organizing discipline and maintaining solidarity and unity within the party.

- To improve party members' educational background, capabilities, intelligence, and qualities requires that party committee echelons adopt definite plans to provide party members with organization, guidance, and checking as they learn political theories, the party line, state laws, as well as other subjects having to do with their professional and specialized knowledge and the way to do their work. Cadres and party members must also, on their own initiative, read, learn, train themselves, and draw experience from reality in order to strengthen and improve their educational background, capabilities, and qualities in accordance with the above-mentioned membership criteria. Good examples and the still-not-very-good aspects must be made an essential part of the activities of party chapters in order to allow them to help one another to progress and to develop their pioneering and example-setting role.

In the face of serious economic difficulties affecting their life, many new and complex problems in the renovating process, and the crisis in the Soviet Union and Eastern Europe producing very serious effects, our party members, generally speaking, still firmly adhere to the party's line, goals, principles, and views on renovation; strive to overcome any difficulties; contribute to the CPV leadership; and implement with good results the new management policies and mechanism, thus making remarkable

achievements in economic development and in improving the standard of living and maintaining national defense and security and political stability. That is what needs to be asserted. However, among some party members there still are many weak aspects and many shortcomings, some very serious. Many party members have shown a decline of capabilities and have lost their pioneering and example-setting role; others have shown a decline of the will to fight, with a few of them being influenced by opportunistic and revisionist tendencies and now advocating a new road for our country to take. In some cases, some of them have advocated political betrayal and surrender. Still others have become corrupt and have committed other negative acts by having advocated pragmatic ideas. Some of them have caused a loss of solidarity because of various reasons.

It was in such a situation that the party wanted to refine the ranks of members.

In the past, we had launched many campaigns to strengthen the party, but the results obtained had been negligible. This time, the party adopted the policy of refining the ranks of members in a firm manner but in appropriate steps in order to maintain political stability and continuity in all aspects of our work.

To do this in an effective manner, the task that is particularly important is to check and analyze party members' qualities. The basic party organizations, on the basis of guidance from superior party committee echelons, must effectively carry out division of labor and regularly check to see how party members fulfill the tasks assigned to them and implement the CPV statutes. As we analyze the qualities of party members, we must let each and every one of them make his own self-criticism and self-evaluation, which are to be combined with party chapters' observations and evaluations, the masses' criticisms and comments, and superior echelons' final check. As they implement the resolution of the CPV Central Committee this time, party organizations must on a regular basis analyze the qualities of their members. To accurately check and analyze their qualities is the extremely essential condition for correctly carrying out solutions.

On the basis of the results of the above-mentioned analyses, the solutions to be adopted for different categories of party members are as follows:

\* To provide advanced training to and to promote the development of those who satisfy party members' qualifications, have good political quality and morality, have the educational background and ability to fulfill their tasks, and enjoy the masses' confidence. In other words, these are the party members who have correct political views and the spirit of renovation; are good at doing labor, productive, and business work by fulfilling the tasks and work assigned to them; do not violate party discipline and state laws; and adhere to a wholesome life style and good relationships with the masses.

\* To help those who have limited knowledge and capabilities, or are in a difficult situation, in order to allow them to move toward fulfilling the tasks assigned to them. If they really cannot overcome their difficult situation and show no ability to eventually fulfill their tasks, they will consider or will be urged by their party chapter to consider withdrawing from the party. Party organizations have the authority to issue them certificates affirming the number of years they have been in the party and to give them assistance on a regular basis. And what deserves our attention as we handle these cases is to be sure that these party members have not violated party discipline and state laws. Those who are politically backward and no longer cherish the party, nor have any effects on the masses, should be urged to withdraw from the party.

\* To educate, to deal with, or to set a deadline for corrective action on the part of those who now fail to satisfy all qualifications, have violated the principles of party organization and activities, and have been unable to fulfill the tasks assigned to them; if they do not show any changes, they will have to be expelled from the party.

\* To deal sternly with those who have political opportunistic tendencies, speak and act against the party views and line, are corrupt and degraded, and are hated by the masses. They are those who are no longer qualified as party members and need to be expelled from the party.

Although a party organization may have very few members, if these members all have good qualities and are capable, it will be much stronger than one that has many but poor and weak members.

In this work, the superior party committee echelons must carefully review the results of the quality analyses and refining of members that the basic party organizations have conducted; if they find that this work has not been done correctly, they will have to provide these party organizations with guidance so as to allow them to conduct new analyses and to refine their members more correctly.

**To recruit new members** is an indispensable part of the work having to do with party members. We must develop the party in order to give it more vitality, to keep its ranks younger, and to ensure its continuity and development. A work that has an important significance is to provide, on a regular basis, the masses outside of the party with education aimed at propagating the revolutionary ideals and creating a sense of origin. We must select, train, and admit to the party outstanding and qualified persons from the Youth Union and among workers, farmers, intellectuals, members of the armed forces, and so on. Our party advocates party development in all components of the economy. Attention must be paid to the key installations and where there still are too few or no party members.

The party must attach importance to quality, avoid going after quantity, ensure adherence to principles, and

at the same time show no prejudices and narrow-mindedness. The party will redefine the admission procedures to make them more appropriate to the new situation. The procedures that are no longer suitable must be discarded. Party members making membership recommendations are to bear real responsibility. Recommended party members must go through the necessary examination procedures.

The Third Plenum of the CPV Central Committee has advocated providing regular leadership over building the Ho Chi Minh Communist Youth Union as an important part of the party-building task, which must be included in the youths' program of action and fulfilled under tight guidance in order to bring about realistic results.

Those are the basic views on the work having to do with party members in the light of the resolution of the Third Plenum of the CPV Central Committee. To carry them out properly, we propose that the Organization Department of the Central Committee issue at an early date the necessary documents serving as guidelines for all echelons to follow. Of these guidelines we think that clarification is needed for the following:

- What is a political opportunist? Many recent party documents have mentioned the so-called opportunistic elements but failed to say how we would define them. We must help party members to see them very clearly in order to struggle for good results.

- We must determine the binding relationships and the echelons that have the authority to make a final decision in the case of disagreement so as to ensure that the right persons are affected in the process of refining membership ranks and that no qualified members are expelled. A bad person who has succeeded in infiltrating a party organization and reaching a position of power might use his authority to bring in his own people and then to "purge" those loyal party members who would not want to side with him. This bad person may not need to be a bad political element, but rather a party member who has extreme individualistic tendencies, in order to behave that way.

- About the criteria set for party members and cadres in the new situation, the ones that are written in the resolution are correct and sufficient, but to assume leadership over their implementation requires strict and careful efforts. In the present complex situation, a slow-acting conservative may have unkind observations regarding a person who has the new thinking; the elements who want to move our country toward another road may accuse those party members who are loyal and determined to protect the party of "conservatism." The leadership we need must be really positive and strict in order to attain good results.

### City Official on Party Renovation, Rectification

932E0037A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 21 Nov 92 pp 1, 7

[Article by Pham Van Hung, director of the Ho Chi Minh City Organization Department: "Some Problems in Organizing the Implementation of the Third Party Central Committee (7th Term) on Renovating and Rectifying the Party"]

[Text] After receiving the resolution of the third party Central Committee (7th Term), the municipal party organization held a plenary executive committee meeting to thoroughly study the resolution. It also discussed a plan to organize the implementation of the third party Central Committee resolutions on the foreign policy, foreign economic relations, security-national defense, and party renovation and rectification policies.

With regard to the third party Central Committee resolution on renovating and rectifying the party, the municipal party organization has disseminated it to the party committee echelons and practically all cadres and party members. In some places it was disseminated to the cadres, workers, and civil servants outside the party, and to some of the masses. The ward and district party committees and the above-basic level party committees of the municipal services and sectors and the ministries and central sectors have also drafted party renovation and rectification action programs and plans in their party organizations and are guiding the basic party organizations in drafting implementation plans at the basic level.

The Ho Chi Minh City municipal party committee selected 50 key state commercial establishments in which to implement the party renovation and rectification plan in order to gain experience for over-all guidance.

Party renovation and rectification is "an especially important and urgent task" that has a decisive significance with regard to the requirements of improving political skill, leadership ability, and combativeness, purifying organizations and the ranks of cadres and party members, and meeting the party's leadership requirements and responsibilities in the new, very difficult, and complicated situation. However, it is not easy to organize the implementation of the resolutions and truly make them part of life. That requires a high degree of understanding, unanimity, and determination on the part of the entire party, the party committees at all echelons, and all cadres and party members in all positions. It requires the organization of implementation, persistence, and resolve, and completeness and creativity, to bring about real results.

Thoroughly understand the resolution of the third party Central Committee and mobilize the voluntary initiative of cadres and party members in achieving the renovation and rectification of the party.

After being exposed to, studying, and having explained to them the resolution of the third party Central Committee on renovating and rectifying the party, nearly all cadres and party members have expressed a high degree of acceptance, approval, and agreement with the way the resolution posed the problem and its contents. Some comrades realize that the Central Committee has paid attention to organizing implementation by means of closely guiding the dissemination of the resolution, drafting the guidance documents, and selecting direct guidance "points" in order to gain experience.

However, there are perplexities and questions in their understanding and thought. Some people understand that the resolution of the third party Central Committee on renovating and rectifying the party is essentially a matter of purging party members, and that purging party members is a matter of criticizing them and taking administrative action. Some think that because their party organization has already carried out Resolution 11 (of the municipal party committee) there is no need now to carry out a review, or if it is necessary to purge party members or renovate and rectify the party if there are no notable negative phenomena or corruption in their unit or base. Many people think that in order to implement the resolution of the third party Central Committee effectively it must be carried out from top to bottom and should be carried out first at the central, provincial, and municipal levels. Many party committees are confused as to working methods and are perplexed about incomplete implementation, especially between the party and the government and between the upper and lower echelons in dealing with the negative acts of cadres and party members.

It is true that the third party Central Committee resolution on renovating and rectifying the party is a specialized resolution on party building that includes many very important contents and is a new subject with regard to which we do not yet have much experience. Therefore, thorough understanding of the resolution will take time. Disseminating it in a single meeting is insufficient. Understanding must be strengthened and enhanced by means of a process of action and organizing the implementation of the resolution. We must enable all party committee echelons and all cadres and party members, no matter what their position, to voluntarily renovate and rectify the party, and be self-motivated in knowledge and action. Only with self-motivation can they be ardent and determined to renovate and rectify the party, and only then can they implement it with initiative and creativity.

Renovating and rectifying the party is in fact a political campaign of the entire party, with the positive and active participation of the mass cadres and party members, and the frank, sincere, and constructive contributions of the masses. Renovating and rectifying the party cannot be regarded as a purely administrative or party task. If it is, it will not be possible to attain the requirements and goals of party renovation and rectification.

Party renovation and rectification cannot be regarded as only purging party members. Purging the ranks of party members is only one of the contents of party renovation and rectification. The resolution of the third party Central Committee set forth the goals, the requirements, and five important contents of party renovation and rectification:

1. Building the party politically and ideologically.
2. Rectifying the party organizationally, including the rectification of the basic party organizations and the purging of party members.
3. Bringing about an important transformation in the cadre work.
4. Renovating and strengthening the task of proselyting the people, and strengthening the relationship between the party and the people.
5. Renovating the party's leadership mode.

Even the policy of purging the ranks of party members is not merely a matter of criticizing, taking administrative action, and expelling, but is essentially a matter of developing the party members who are sufficiently qualified and apply themselves well, and educating and motivating party members who are well qualified but still have some weaknesses, or party members who make mistakes or violate the rules of conduct of party members. The disciplining, even the expulsion from the party, of some party members who have degenerated and committed serious errors also has a positive significance in purifying the party, heightening combativeness, improving quality, and strengthening the party organization.

Resolution 11-TU of the Municipal Party Committee, issued in July 1990, on "further bolstering the basic party organization," had the contents of reviewing qualifications, categorizing party members, and bolstering the basic party organizations. But the municipal party organization has only completed the phase of reviewing qualifications and categorizing party members, and has only disciplined some of the comrades who have violated rules of conduct of party members. The resolution of the third party Central Committee set forth the task of renovating and rectifying the party, with more complete and comprehensive requirements and contents.

Party renovation and rectification is a task and responsibility of the entire party, of all party organizations, and of all cadres and party members. Each party committee echelon, from the municipal party committee, the ward and district party committees, and the party committees at levels above the basic level, down to the basic party organizations, must have programs and plans to renovate and rectify the party at their echelon, such as reviewing and inspecting the party committee members in accordance with the party statutes, and inspecting the fulfillment of tasks that are assigned, bolstering personnel by means of mid-term party conferences and party organization congresses, renovating the leadership

mode, drafting work rules for the party committee echelons, rectifying the party organization apparatus, renovating the cadre work, imposing discipline for the negative incidents at the level for which the committee is responsible, etc. Each echelon must take the initiative and have a program for renovating and rectifying its echelon, while guiding the renovation and rectification of the entire party organization and other party organizations. Only if every echelon, cadre, and party member takes the initiative and voluntarily does that can the entire party truly be renovated and rectified.

Work step-by-step, with selected emphasis and urgency but with certainty.

The renovation and rectification of the party is a political campaign of the entire party organization, with a spirit of voluntary implementation by all cadres, party members, and party organizations, and the positive contributions of the masses.

So that party renovation and rectification can attain the requirements and high effectiveness, it is necessary first of all to firmly grasp the goals of party renovation and rectification, closely tie in the party renovation and rectification task with carrying out the political tasks of the municipal party organization and the basic echelons and units, as well as with the struggle against corruption and blackmarketing. In renovating and rectifying the party, it is necessary to insure that the party organizations lead and guide economic-social stabilization and development, guide production and commerce in the right direction and effectively, stabilize and improve the people's lives, maintain political stability, and strongly defend the fatherland. If the party is renovated and rectified but the economy and society are not stabilized and developed, production stagnates, and commerce suffers losses, to the extent that many negative and corrupt instances arise but are not dealt with, the goals and requirements of party renovation have not been attained. Places which do a good job of renovating and rectifying the party are those which struggle effectively against negativism and corruption.

Because of the requirements and contents of party renovation and rectification, in view of the actual situation and capability of the party organizations at all levels, especially the basic level, and our experience in implementing Resolution 11-TU of the Municipal Party Committee, we cannot carry out party renovation and rectification impetuously and at a uniform pace, in the manner of a "campaign." We must go all-out to avoid impatience, superficiality, and perfunctoriness. The party organization of Ho Chi Minh City now as 2,300 basic party organizations of all kinds, or more than 7,000 basic organizations if one includes branch party cells. If party renovation and rectification is carried out simultaneously in 2,300 basic party organizations it certainly cannot be deep and would exceed the guidance and control capability of the party committees above the basic level, which could easily result in perfunctoriness.

Therefore, the resolution of the third party Central Committee set forth the slogan, "Work with selected emphasis, in phases, and with appropriate methods." Plan 16-U of the Municipal Party Committee also stressed that spirit and added, "Work step-by-step and expand gradually," "work with selected emphasis, with selected emphasis by each echelon, and carry out the work actively and urgently, but solidly."

Along those lines, the Ho Chi Minh City party committee selected 50 key state commercial establishments in order to carry out party renovation and rectification one step in advance. It selected three locations for separate guidance, in order to gain experience for overall guidance. The ward and district party committees selected 56 basic party units (including 12 subwards and seven villages) in which to implement the work in advance. At the end of this year we will preliminarily recapitulate the first phase and will gradually expand the task to the other key points and the other kinds of basic units, accompanied by the strengthening and perfecting of organization and cadres of the sectors and the key bases.

Even disciplining for negative incidents must be done with selected emphasis. Each echelon and sector must select some places for imposing strict, fair, prompt, and thorough discipline.

It is necessary to develop to the maximum extent the spirit of self-consciousness, self-criticism, and self-inspection on the part of party members and cadres, along with the spirit of frank and constructive criticism by the collective party members, the cells, the party committee echelons, and the upper-echelon cadre management organ. We must bring into play the role of the mass associations and encourage the cadres, workers, and civil servants outside the party, and the masses at the basic level, to contribute to developing party members and the party. By means of appropriate forms, we must create favorable conditions for the masses to contribute opinions on developing party members, especially in places with complicated problems and in which the party chapters are weak. There must be a mechanism for encouraging, creating conditions for, and protecting the masses and party members to criticize, and contribute opinions to, the cadres and party members, including the leadership cadres. Cadres and party members who engage in retaliatory acts and harass people who criticize properly and constructively must be strictly criticized and even disciplined.

In general, we must encourage a spirit of self-consciousness and criticism and self-criticism on the part of cadres and party members, but, in some instances of a lack of self-consciousness, when there are complicated problems, it is necessary to combine the methods of state control and inspection and the requirements of the party concerned, and report and explain to the organization matters relevant to themselves. Control and inspection must be guided so that they can be carried out rapidly

and effectively and reach accurate conclusions. They should not be stretched out, which gives rise to complications and ineffectiveness.

### Organize the Guidance of Implementation

Organizing guidance is a very important aspect of the over-all task of organizing the implementation of directives and resolutions in general, especially with regard to the resolution on party renovation and rectification, for that is an important, complicated matter that is relevant to the sectors and echelons and the spheres of activity and experience, and must be carried out over a relatively long period. Therefore, it is necessary to organize direct implementation guidance from the city level down to the basic units (including the party, the government, and the mass organizations), with coordination from top to bottom. The municipal party committee, the ward and district party committees, and party committees at levels above the basic level (or equivalent echelons) have set up guidance committees to implement the resolution of the third party Central Committee that are responsible for helping the party committees monitor, guide, inspect, organize pilot projects, gain experience, and make preparations, so that the party committees can discuss and decide upon matters related to the party renovation and rectification policies and measures. Each echelon must organize continuous duty tours (one or two weeks at a time) in order to understand the situation, inspect, report, and guide in a timely manner.

Each echelon, according to its responsibility and authority, must draft the necessary documents, implementation rules, and train the party committees and cadres of committees responsible for helping the party committees monitor and guide the implementation of party renovation and rectification. There must be legal documents to codify administratively some matters related to the functions, responsibilities, and work relations between the party and the government.

It is necessary to inspect and strengthen a number of party committee echelons, especially the basic-level party committees and secretaries at the basic level, and perfect the party committees before they carry out party renovation and rectification, for that is a task directly related to organizing implementation and directing the implementation of the party renovation and rectification task. If they are not bolstered and strengthened in advance they cannot do a good job of implementing the resolution of the third party Central Committee and plan 16-TU of the Municipal Party Committee.

Renovating and rectifying the party is a very important political activity that will be implemented over a rather long period of time, so it is necessary to pay all-out attention to organizing pilot projects, carrying out preliminary and final recapitulations, and to simultaneously work and carry out exploratory research in order to adopt new policies and measures, and better working methods, in order to supplement guidance and promptly disseminate experiences to the party organizations at all

levels. We must organize pilot projects and make preliminary recapitulations to gain experience in each phase, each topic, and each step in carrying out the task in accordance with the rules. We must thereby organize training to heighten the leadership level and ability and the organization of implementation by the party organizations at all levels and of cadres and party members.

### **New Features in Government Organization Law Discussed**

932E0036A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 18 Nov 92 p 2

[Article by Tran Minh Thu, Vietnam Lawyers Association: "New Features of the Government Organization Law"]

[Text] On 30 September 1992 the first session of the Ninth National Assembly of the Socialist Republic of Vietnam approved the Government Organization Law, which replaced the Council of Ministers Organization Law of 4 July 1981.

Strengthening the effectiveness of state management is an urgent requirement of our country at present, after it has changed over to a market mechanism. It may be said that the present Government Organization Law is, in sum, intended to strengthen the following two major aspects:

1. Strengthening the law-administration relationship, which has the distinctive characteristic of guaranteeing that the system of state administrative organs operates effectively.

According to Article 4 of the Law, "The Premier heads the Government. The Premier is responsible to the National Assembly and reports on his work to the National Assembly, the Standing Committee of the National Assembly, and the chairman of the Council of Ministers."

The new stipulation regarding the position of the Premier is very important, for it embodies the prerequisite factor in establishing the one-premier system. It opens up good prospects for avoiding all confusion in following orders—not knowing which orders from the premiers should be carried out—as in the collective premiership system in the past.

Another new point is that if, in the past, when the chairman of the Council of Ministers was absent he was replaced by a deputy chairman of the standing committee of the Council of Ministers in providing over-all guidance, on the basis of the entire authority of the chairman of the Council of Ministers (Article 26 of the old Council of Ministers Organization Law.) That replacement was predetermined and thus, in actuality, it easily resulted in conflict with the design outlined by the chairman of the Council of Ministers. As for the present stipulation, when the premier is absent "a vice premier is designated by the premier to replace him in leading the

government work" (Article 4). The new stipulation has created many favorable capabilities for the premier in selecting a person to replace him in each phase and to closely evaluate the capability of the people assigned responsibility in each sphere, as a part of the entire sphere that is assigned.

This one-premier system is absolute, for it is applied not only at the central level but also at the local levels. Achieving the suspension, transfer, and dismissing of the chairman and vice chairmen of the people's committees of provinces and municipalities directly under the central level, and approving the suspension and dismissal of the other members of the people's committees of provinces and municipalities directly under the central level (Clause 5, Article 20) are new and necessary conditions so that the over-all management apparatus can be unified and harmonious in all spheres requiring regulation by the premier.

In addition, the law-administration relationship among the state administrative organs is achieved more thoroughly: the lower-echelon administrative organs must obey the decisions of the upper-echelon administrative organs (Clause 2, Article 16). That contributes very greatly to ending arbitrary interpretations, which adversely affects the common lines and policies of the state (if any) being violated at the basic level, and contributes to strengthening the constitution and laws and guarantees that they are respected and carried out.

2. Strengthening the principle of democratic centralism:

That is the most important principle in our state's socialist management. Because the operation of the state management work must be unhindered, the Government Organization Law retains important points that must be discussed collectively and decided by majority vote:

- The annual activity program of the Government.
- Long-range, five-year, and annual economic development draft plans, the important projects, state budget projections, state budget distribution, and annual state budget reconciliation for submission to the National Assembly.
- The specific economic-social, financial, and monetary policies and the important questions regarding national defense, security, and foreign relations.
- The proposals to be submitted to the National Assembly regarding the formation, merging, and dissolution of ministries and organs equivalent to ministries; the creating, merging, and boundary adjustments of the provinces and municipalities directly under the central echelon; the formation or dissolution of special administrative-economic units; and decisions to create, merge, divide, or adjust the borders of, administrative units below the level of provinces and municipalities directly under the central level.
- Decisions to form, merge, or dissolve government organs.

—Government reports to the National Assembly, the Standing Committee of the National Assembly, and the chairman of the Council of Ministers.

The new stipulation that in event of a tie vote the premier makes the tie-breaking decision (previously, there had to be a majority vote), which combines the collective responsibility with heightening the authority and individual responsibility of the premier, for with the exception of the premier the members of the Government do not have to be National Assembly delegates (see Article 110 of the 1992 Constitution.)

The uniform resolution of the basic problems of state policies avoids the compulsion of the one-way flow from the central level down to the local level, which is also reflected in the decisions of the chairmen of the people's committees of provinces and municipalities directly under the central level, who can, when necessary, be invited to participate in the meetings of the Government (Paragraph 3, Article 34).

By definition, the Government is the executive organ of the National Assembly and the highest state administrative organ of the Socialist Republic of Vietnam. It is in nature a people's government, so the Government is responsible for reporting to the people on all of its activities (except for matters of national secrecy.) That has been established by Article 37 of the Law, in the form of the premier delegating to the minister-director of the cabinet responsibility for regularly reporting to the mass media on the contents of governmental meetings and the decisions of the government and the premier.

### Paper Comments on Socialism

93SE0091A Hanoi VIETNAM COURIER in English  
Nov 92 pp 1, 3

[Article by Phan Doan Nam: "Socialism: A 'Historical Error?'" ]

[Text] In recent years, with the collapse of socialism in Europe, there has been a trend to smear the socialist regime in existence in the Soviet Union during the past 70 years, and to deny the achievements and the superiority of socialism. The forces hostile to socialism have even gone so far as to regard socialism as "a historical error."

There is no denial the fact that the Soviet socialist model of the past 70 years has had a lot of serious defects and mistakes, but it is indeed a "historical error" to deduce from this a repudiation of socialism and its superiority.

Looking back on the past in a calm and objective way, we may affirm that the socialist regime has brought to the Soviet and the world people tremendous achievements and that its superiority is undeniable.

Let us try to draw a comparison about the achievements recorded by the Soviet Union during the first 60 years of

Soviet power (1917-1977). We may categorically conclude that no social regime, no country whatsoever has scored greater and [more] comprehensive achievements as the Soviet Union did in such a short period of time.

According to a CIA assessment, in the early 80's, the GNP of the then Soviet Union amounted to 55 per cent of the USA's. Certainly it was not the intention of the CIA to paint a rosy picture about the Soviet Union. This figure shows that only in 60 years, the Soviet Union has gone through a rapid and comprehensive development that no other country could do. In spite of extremely difficult conditions: blockade, heavy war devastation, rather low starting point, it took only a rather short time for the Soviet Union to achieve over one half of the GNP that the USA, a country privileged by nature, spared from war ravages, and furthermore in a position to make the most of the latest scientific and technological advances, accomplished in over 200 years. In 1977 the share of the Soviet Union in the world's industrial output was 20 per cent while those of the USA, Japan, the United Kingdom and France were respectively 25, 6.5, 6 and 5 per cent. As is known, capitalism in Japan, the United Kingdom and France has been in existence for more than 100 years. Such is the situation in comparison with the outside world. Compared with Tsarist Russia, the superiority is even more obvious. By 1977, the GNP of the Soviet Union had increased 103 times, industrial output 225 times, and agricultural output 4.6 times in comparison with the 1913 figures. The real income of the working people had decoupled in the same period.

Nevertheless, the tempo of economic growth, though very important, is not the main factor indicating the superiority of a social regime. The fundamental indication of whether a society is fair and democratic lies in the welfare distribution. Without economic equality, there is no political democracy. That is an axiom. Although the living standard of the Soviet people is not yet equivalent to that of the middle strata in the most developed capitalist countries, there is in the Soviet Union no spectacle of abundance coexisting with misery; no social stratum is living under the poverty line. People often fail to thoroughly realize the great sacrifices made by the Soviet people in accepting to undergo difficulties in economic life in order to share food and clothing with hundreds of millions of labouring people in the world. In the field of political freedom, in spite of a number of mistakes and defects caused by the State socialism model in addition to the mistakes committed by some individual leaders, it is an incontestable fact that in the Soviet Union, all citizens are equal, there are neither exploiting nor exploited classes. Despite great perturbations, no capitalist or big landowner can now be found in the CIS. The standard of political consciousness and cultural development of the various nationalities in the Soviet Union is perhaps the highest in the world. Not counting Russia which already had a certain standard of development when the October 1917 Revolution broke out, most autonomous republics in the former Soviet

Union were at the start countries with very low standard of development, yet after 70 years, most republics of the former Soviet Union and the present CIS have reached the level of development of civilized countries in the world. People also forget that the Soviet nation is the one that has the highest educational standard in the world with the greatest number of engineers than any other country. By 1977 there were in the Soviet Union nearly one million medical doctors, that is one-third of the total number of doctors in the world. The social security regime enjoyed by the Soviet people during 70 years of socialism is something that no inhabitant of any developed capitalist country may dream of. Some people say that they do not deny the achievements recorded by the Soviet Union during 70-odd years of existence, but these achievements had been scored at too dear a price, by the lives of millions of people. Of course, this is something that nobody desires and should have been avoided. But those who say so forget that the achievements recorded by capitalism are due to multiple reasons, among which a very important one is that it has sacrificed the life and dignity of hundreds of millions of people in colonial and dependent countries, not to mention the sweat and tears of millions of labourers in metropolitan countries. Then which price is dearer?

Perhaps the least controversial issue is the superiority of the Soviet power in the military field. Because this is all too clear. When it was only three years old, it smashed the military intervention of 14 imperialist countries. At the age of 18, it saved the whole mankind and more directly 600 million people in Europe from genocide perpetrated by fascism. And it took only over 50 years for the Soviet Union to achieve strategic military balance with the USA and to become one of the two superpowers.

Although the Soviet Union no longer exists today and the ideals of the great Russian October Revolution are being stained, the stamp of these two events will be engraved forever in human minds and in international life. If in the 18th century, the French bourgeois revolution of 1789, which remained in existence for only two years before it was toppled by the royalists, had laid the basis for bourgeois democracy, the Russian October 1917 Revolution and the existence of the Soviet Union during 70-odd years have firmly laid the foundation for socialist democracy throughout the world. This socialist democracy is existing and developing in the remaining socialist countries, and is the factor governing the policy of all countries in the world including the most developed capitalist countries. In this sense, the banner of the Russian October Revolution is immortal and the contribution of 70 years of socialist regime in the Soviet Union to the democratization of world politics is invaluable. Let us imagine what difference there would have been between this and the 19th-century world, were it not for the October Revolution and the Soviet Union. In spite of the temporary setbacks of socialism in the Soviet Union and Eastern Europe, the "post-Soviet Union" world is marching on forward following the targets socialism always strives for, namely: peace, national independence, democracy and social progress. This is clearly

manifested in the struggle waged by the world people in the "post-Soviet Union" period for the establishment of a new world order. The attempt at building a unipolar world have failed. The power politics of some big countries aimed at manipulating the United Nations to impose their will on smaller countries are also under strong attack. The voice demanding a reform of the UNO in the direction of democratization is becoming stronger and stronger. The growth of the Non-Aligned Movement and its increasingly more important role in the struggle for a new international order, as manifested through its Tenth Summit in Indonesia, show that the awakening of the Asian, African and Latin American nations after the October Revolution and especially after the victory of the Soviet Red Army in World War II, has become a material force, a factor determining the path of development of the contemporary world.

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The development of the world situation and international relations during the past year since the collapse of the Soviet Union shows that the world does not in any way renounce the ideals of the October Revolution and of socialism; on the contrary, the world people are inheriting and continuing the achievements of socialism in the past 70 years when they enter the future. The difference here is that the contemporary world has undergone a qualitative change in comparison with the world of the first 90 years of the 20th century. The world has entered a new stage of development as a result of the scientific and technological revolution since the mid-70's, the shift of world production from in-breadth to in-depth development thanks to the thorough utilization of the achievements of the latest technologies and the political awakening of all nations. These three factors have created a global crisis of structure requiring change or renovation with regard to all countries. Although the main capitalist countries have to some extent succeeded in resolving the crisis of structure by utilizing to the utmost the latest scientific and technological achievements to shift to modern capitalism and have temporarily impelled the capitalist production to develop at a rather strong tempo, they have failed to resolve the internal contradictions. Capitalism is not, therefore, the answer for the world people who want to build a prosperous, fair and democratic society. The socialist model based on State subsidies which existed and promoted its superiority in over half a century since the October Revolution obviously cannot meet the requirements of the new situation and has collapsed in almost all socialist countries. Consequently, renovation and readjustment constitute an objective need for existence and development. The basic difference is that where the Communist Party, while firmly holding the leadership, undertakes readjustment, reform or renovation in a real but planned way, socialism remains in existence and continues to bring into play its superiority. But where the Communist Party lets leadership get out of its hand, socialism is

abolished and the Party is disintegrated. The current economic and socio-political crisis of former socialist countries in Europe has testified to this and done away with the illusion of some people who want to turn to the capitalist path as an alternative. That is the reason why it may be said that the collapse of the European socialist countries is not synonym of the death of socialism. This is only a twist of history that all major revolutions in the world must go through. Such is the experience of the bourgeois revolution in Great Britain and in France. Especially with the socialist revolution, the most thorough revolution in history, there cannot be a straight and easy path. That is the law of development of human history. Firmly grasping that law of development, our Party and people are confidently marching forward along the road chosen by President Ho Chi Minh: the road to socialism.

## MILITARY

### Veterans Hold National Congress, Elect Leaders

932E0038A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 21 Nov 92 pp 1, 7

[Article by S.H. : "First National Congress of Vietnamese Veterans Association Successful"]

[Text] After two days of urgent, serious work, with a spirit of "Renovation, solidarity, democracy, discipline, and economy," the first congress of the Vietnam Veterans Association achieved good success.

The congress voted unanimously to approve the entire text of the Association Statutes, and approved the resolution of the congress and a letter to be sent to the party Central Committee.

With the zeal of a generation of people who have fought wars throughout their lives, wholeheartedly follow the party and strive to attain the goals of socialism, and support the party's renovation undertaking, the congress reached a high degree of agreement in evaluating the situation, tasks, and future course of endeavor of the association.

With a spirit of mutual respect and extreme affection, the congress elected an association executive committee for the first term, with large majorities and a high degree of trust.

The congress was extremely pleased to select Senior General Vo Nguyen Giap honorary chairman of the association. The congress ardently congratulated its 75 outstanding representatives in the executive committee and the association's chairman, Colonel General Tran Van Quang; its vice chairmen, Tran Van Tra, Nguyen Don, and Nguyen Trong Vinh; its general secretary, Le Thanh; and the 10 members of the standing committee: Le Cu, Chu Do, Le Tu Dong, Lu Giang, Dang Kinh; To Ky, Ha Ke Tan, Nguyen Van Thanh, Vo Thu, and Le Thuy.

The congress decided to make 6 December of every year National Veterans Day.

Enthusiastic over the results of the congress and in an atmosphere of enthusiastically greeting the Hanoi veterans delegation, which came to hail the success of the congress, the delegates were extremely inspired and moved when they learned that although he was very busy the beloved general secretary, Do Muoi, had arrived to make souvenir photographs with delegates to the congress.

At exactly 1530 the congress became very animated when General Secretary Do Muoi arrived to make souvenir photographs with each of the 53 provincial and municipal delegations.

That was a moment overflowing with goodwill and harmony between the party's concern and care and the veterans' spirit of enthusiasm and love for the regime.

Delivering the speech concluding the congress, Colonel General Song Hao, formerly chairman of the provisional central executive committee of the Veterans Association, on behalf of the congress, the association members, and veterans all over the country, expressed deep gratitude for the concern of the party and the entire population, and ardently congratulated the first-term association central executive committee, people who accept the important responsibility of representing the nation's veterans, continually show concern for and build the association, strive to enable the veterans association to always be a reliable organization of the party, the state, and the regime, and are always bright models vis-a-vis the qualities of "Troops of Uncle Ho."

### Magazine Interviews General Doan Khue

932E0040A Hanoi NHA BAO VA CONG LUAN  
in Vietnamese Dec 92 pp 1, 13, 14

[Interview with General Doan Khue, member of the Political Bureau of the Communist Party of Vietnam Central Committee, deputy secretary of the Military Commission of the party Central Committee, and minister of national defense, by unidentified NHA BAO VA CONG LUAN correspondent; place and date not given]

[Text] Editor's note: On the occasion of the 48th founding anniversary of the Vietnam People's Army, General Doan Khue, member of the Political Bureau of the Communist Party of Vietnam Central Committee, deputy secretary of the Military Commission of the party Central Committee, and minister of national defense, received and was interviewed by a correspondent of NHA BAO VA CONG LUAN magazine.

Following are contents of the interview:

[NHA BAO VA CONG LUAN] Comrade General: For our country at this juncture, while affirming that economic building and development is the central task, national defense is also a very important task.

May we suggest that you, General, tell us what policies and measures the Military Commission of the party Central Committee and the Ministry of National Defense have adopted to create the possibility of satisfactorily implementing the tasks of consolidating national defense and defending the fatherland?

[Khue] First of all, I would like to thank NHA BAO VA CONG LUAN for its interest in national defense, one of the two tasks that the party and people have entrusted to the Army as the core force for implementation.

Since time immemorial our national history has proved that "national construction going along with national defense" is the law governing the existence and development of our nation. The more national construction flourishes, the more appropriate attention must be given to national defense.

At present, the renovation of the country has yielded encouraging initial results. However, following the disintegration of the socialist system in East Europe and the Soviet Union, hostile forces have been intensifying their sabotage activities against the world revolutionary movement, particularly against the remaining socialist countries, including Vietnam. Their schemes and acts consist of stepping up implementation of a host of measures, combining armed with unarmed ones, to oppose and undermine our country's revolution politically, ideologically, psychologically, and in terms of lifestyle, as well as to encircle, isolate, and sabotage us economically. They have sought by all means to make contact with local reactionary forces and to infiltrate groups of armed reactionary exiles into our country, and have intensified their intelligence and espionage activities... in an attempt to aggravate the socioeconomic crisis and create opportunities for fomenting rebellion to overthrow the socialist regime, or, if conditions permit, to carry out armed aggressive activities on different scales and at varying extents. For this reason, although our country is engaging in peaceful construction, we must always stand ready to cope with all possible complicated contingencies. *At this juncture, national defense consists of not only defending independence, sovereignty, and territorial integrity, and firmly maintaining a peaceful life, but also preserving political stability, protecting the socialist regime, and safeguarding the revolutionary gains, which our entire party, people, and Army have achieved at the cost of untold amounts of effort, energy, and blood expended during more than six decades of fighting and construction.*

Over the past years, the Military Commission of the party Central Committee and the Ministry of National Defense have involved themselves deeply in studying the party's military concepts in the previous wars of liberation and its new thinking on the current task of national defense. At the same time, they have studied the world situation and have promptly set forth policies and measures to lead and guide implementation of this important strategic task. On the other hand, they have directed all the Army to join the entire people in satisfactorily

carrying out the task of closely combining national defense with national construction, economic building with national defense and vice versa to help make the people prosperous and the country powerful. They have worked in close coordination with the Central Party Committee of the Public Security Service and with the Ministry of Interior to lead and guide soldiers, public security agents, militia and self-defense members..., together with the entire people and all sectors and localities, in bringing into full play their aggregate strength to carry out their national defense and security tasks in the new situation. They have served as an advisory body for the party and the state in elaborating strategic national defense plans, building the all-people national defense system, and developing the people's war disposition for national defense. They have also built up strong national defense potential in conformity with the development of the national economy.

With regard to the People's Army, the core force of national defense, the Military Commission of the party Central Committee and the Ministry of National Defense have intensified their efforts in leading and guiding the entire Army to bring into full play the revolutionary character and glorious tradition of "Uncle Ho's soldiers," and to build a well-trained and gradually modernized regular revolutionary Army capable of both fulfilling the main strategic task entrusted by the party, state, and people, and actively participating in building our country into a prosperous and powerful one.

[NHA BAO VA CONG LUAN] The switch to the market economy mechanism has been one of the important factors that have helped promote national economic development. But it has also created no little difficulty for the tasks of building the Army and consolidating national defense.

In your opinion, what should our party, state, and people do to iron out these difficulties?

[Khue] It should be admitted that the state-managed market mechanism has contributed to bringing about encouraging economic results since the sixth party congress. But, in the market mechanism, profit-making is a driving force for all activities. Therefore, it is a fact that in some localities and grass-roots units, there has been a failure to pay due attention to a number of important tasks, among them the task of building the all-people national defense system and the people's armed forces.

To overcome these phenomena, in my opinion, along with gaining a good understanding of the political line, all party committee echelons, the administration in all localities, and the grass roots should be thoroughly conversant with the party's military line in the new stage as reflected in the seventh party congress resolution and other resolutions of various party Central Committee plenums. Proceeding from this, they should intensify their efforts to lead and guide their cadres and people in

closely and harmoniously combining production, business, and self-enrichment activities with paying attention to building the all-people national defense system and the people's armed forces. An important factor requiring proper, constant attention is that they should build a people's war disposition in the areas under the management of various echelons, and this includes building local, militia, and self-defense forces with appropriate troop strength. They must make necessary investment in terms of cadre and money for training to ensure that these forces are capable of organizing their own training activities, conducting in-place combat activities, and coordinating with mobile main-force Army corps in fighting to defend the fatherland when required by the situation. At the same time, they should intensify propaganda work and the effort to educate cadres, party members, and large sections of the population in the Law on Military Service, in various policies concerning war invalids, families of fallen soldiers, and demobilized soldiers, and should organize correct implementation of this law and these policies. They should promptly commend and reward those units and individuals who have performed their duties well; at the same time, they should severely deal with those collectives and individuals who have acted at variance with the policies, with people who have evaded their responsibility for defending the fatherland, and with anybody who have committed acts of sabotaging national defense works in localities.

[NHA BAO VA CONG LUAN] Comrade, what do you think about the good and not so good aspects of various press organs at the central and local levels in propagandizing the tasks of building the Army, consolidating national defense, and defending the fatherland in the new stage?

[Khue] In recent years, the press in our country have flourished amid the common national renovation. Aside from propagandizing and agitating for the task of national construction, the press throughout the country have paid greater attention to propagandizing the party's policies and line on the tasks of consolidating national defense and defending the fatherland, and have involved themselves deeply in analyzing various schemes and tricks used by the enemy to oppose and sabotage our country's revolution, thereby contributing to heightening the sense of vigilance and readiness of the people and troops to defend the fatherland. The press have carried numerous news reports to commend those localities, establishments, and units credited with practical activities aimed at building the all-people national defense system; implementing the policies concerning war invalids, fallen soldiers, and Army rear echelons; and strengthening Army-people solidarity. The press have commended the Army for the performance of its duties in participating in economic building, training, and heightening fighting strength and combat readiness. At the same time, the press have carried articles frankly critical of deficiencies and shortcomings found in the implementation of these tasks and of manifestations at

variance with the character and tradition of "Uncle Ho's soldiers." Especially, the Vietnam Journalists Association, the daily NHAN DAN, VIETNAM NEWS AGENCY, Radio Voice of Vietnam, Vietnam Television, the journal CONG AN THANH PHO HO CHI MINH, and a number of other press organs have also established sworn brotherhood with some Army units and have presented gifts of great value to troops stationed on Truong Sa [the Spratly Islands], thereby helping improve their spiritual and material life and enabling them to fulfill their duties with peace of mind and enthusiasm. They have also contributed money to building "gratitude houses" for war invalids and families of fallen soldiers and presented savings passbooks to needy families entitled to welfare policies. These are noble, admirable deeds of our press circles.

On this occasion, through NHA BAO VA CONG LUAN and on behalf of the Military Commission of the party Central Committee and the Ministry of National Defense, I would like to extend my sincere thanks to the mass media and press workers throughout the country. It is my wishes that the press nationwide would further flourish and carry many interesting articles to encourage all the people and Army to build a prosperous and powerful fatherland and to firmly defend our beloved fatherland.

As a newspaper reader, a radio listener, and a television viewer, I would like to express a minor idea so that journalists may concern themselves more appropriately with our tasks. Honestly, except for the propaganda contents of the various military press organs, other press organs have not reserved a really worthy place for propagandizing the tasks of consolidating national defense and defending the fatherland. I think that at a time when reactionary forces outside the country are making the most of the mass media to direct their attacks at our country to undermine our people ideologically, it is even more necessary for the domestic press to take the initiative in counterattacking them with trenchant articles to lay bare their tricks and encourage the entire people and Army to stay united and uphold vigilance in order to firmly maintain stability in all fields. At the same times, in articles against corruption and negativism, accurate information should be provided to increase the militancy of the press, but not to allow reactionary elements to take advantage of such information to incite the people. I say this because, in reality, there have been a few press articles that did not present accurate information when criticizing the shortcomings of some Army units, thereby more or less affecting our Army's prestige.

In the future, I suggest that the press throughout the country pay greater attention to doing propaganda work to encourage the entire party, people, and Army to carry out their national defense and Army-building tasks by carrying articles that have the characters of guidance, an encouragement, and a criticism at the same time, thereby contributing to building a strong all-people national defense system and an Army forever worthy of being

"Uncle Ho's soldiers." The Ministry of National Defense and the General Political Department are prepared to create favorable conditions for journalists to make fact-finding tours to write about these subjects.

[NHA BAO VA CONG LUAN] Now, as always before, in war as well as in peace, the military press have constantly proved to be a shock force in propagandizing the tasks of building the Army, consolidating national defense, and liberating and defending the fatherland.

How do you evaluate the various forms of the military press at this juncture?

[Khue] The Military Commission of the party Central Committee and the Ministry of National Defense have determined that the military press are the voice of the party and the forum of the people's armed forces and the people in promoting the two strategic tasks of our country, with national defense being the main one. In view of this orientation, I think that over the past years the military press have made great efforts and have satisfactorily fulfilled their duties according to the functions of the mass media, thereby proving themselves worthy of being the shock troopers on the ideological and cultural front of the people's armed forces. A concrete manifestation of this fact is that the military press have always gained a thorough understanding of the lines, positions, and policies of the party, state, and Army concerning the tasks of defending and building the country, and building the people's armed force in the new period, in order to propagandize these lines, positions, and policies among the entire people and Army. Many articles published in TAP CHI QUOC PHONG TOAN DAN and QUAN DOI NHAN DAN or broadcast in Army radio programs have reflected the sensitivity and incisiveness of the military press and the initiative they took in countering hostile views; protecting the party, the regime, and people; safeguarding the integrity of our fatherland's territory, waters, continental shelf, and airspace; practically encouraging all the people and Army to carry out their national defense and security duties along with the socioeconomic tasks; participating in the struggle against negativism, corruption, and contributing to restoring order and discipline, social justice.... Thanks to this, they have won ever greater love and trust from readers, listeners, and viewers. In terms of presentation, various forms of the press themselves have also been further improved.

However, looking back more seriously, I think that the military press should make greater effort to ensure their all-Army and national character. They should carry more articles about Army building and national defense consolidation that serve as guidance, help discover and promote new models, and are attractive to readers at the same time. On the other hand, they should not publish, through oversight, those press articles and literary items showing deviationist manifestations or raising unrealistic issues.

The Military Commission of the party Central Committee, the Ministry of National Defense, and the General Political Department have intensified their guidance and created conditions for the military press to make progress. In the days ahead, this concern should be paid even greater attention.

I am convinced that, together with the press nationwide, the military press will be forever worthy of their tradition and precious experience and will make ever greater progress in all respects.

[NHA BAO VA CONG LUAN] Thank you, Comrade General and Minister.

## ECONOMIC

### Oil, Gas General Corporation Director Interviewed

932E0039A Hanoi NHAN DAN CHU NHAT  
in Vietnamese 13 Dec 92 p 4

[Interview with Professor Ho Sy Thoang, Ph.D., director general of Vietnam Oil and Gas General Corporation, by Tran Kham, a NHAN DAN reporter; place and date not given: "Oil and Gas, the Pace of the Era"]

[Text] *Editor's note: Although our oil-gas industry is still young, it has become the number-one spearhead of all our economic spearheads and for the first time brought good results to our country. Its prospects are really bright. Its workers are upholding the spirit of creative labor and striving to successfully implement the resolution of the seventh party congress: "To strongly accelerate cooperating and doing joint business with other countries in exploring, extracting, and refining oil and gas. To build the refining and petrochemical industries by modern industrial standards and, along with them, to develop other industries using oil and gas as raw materials."*

Our reporter conducted an interview with Professor Ho Sy Thoang, Ph.D., director general of Vietnam Oil and Gas General Corporation. Here are the questions and answers.

[Kham] According to public opinion, the oil-gas activities this year, compared to last year, are more lively and busier. Is it correct to say so?

[Thoang] It's correct. They are not only more lively but also more effective. Our country has extracted more than 10 million tons of oil, over 5 million tons just in 1992. Since the Investment Law was issued, we have signed 23 product-sharing contracts with foreign companies, including 10 this year. We think that these accomplishments have been the results of 1991 and the previous years. From faltering steps, our pace has become steady within the new mechanism and in the international relations. The achievements have also resulted from the policy of open door and open business direction that our party and government have adopted in favor of the oil-gas industry.

[Kham] How do you assess the shift of business accomplished by the Viet-Soviet Oil-Gas Joint Enterprise (VSP)?

[Thoang] In fact, VSP operates in accordance with the accord that was signed in 1991 between Vietnam and the former Soviet Union and was revised in 1991 on the basis of the two countries contributing the same amount of capital. At present, VSP is the only unit that extracts crude oil in our country. A noteworthy fact is that when it switched to doing business not financed by the state, VSP had pondered carefully and had selected and consulted with many partners regarding the purchases of equipment and spare parts used in the extraction of oil and gas. We can say that as it went from the state-financed mechanism to the market mechanism, it made a progress that we were happy about, but its progress has been rather slow compared to the needs.

[Kham] As we understand it, the way the oil-gas industry works is actively "to raise a siege." Can you clarify this understanding?

[Thoang] We do not dare to take credit for spearheading the active efforts "to raise a siege," but this is understanding the state and party line in order to prepare for the preconditions and data needed for the new development stage. In fact, we only worry that we do not properly implement these policies. As to the production and business activities that are evaluated as dynamic and forward-looking, they are the efforts of the collective of people working in the oil-gas industry. We understand that, in the new mechanism, this is the road that may make the oil-gas industry become an important economic spearhead.

[Kham] What is your opinion regarding the people working in our oil-gas industry?

[Thoang] I have been in the industry only half-a-year, but I admire the collective of people working in it. In our economy, the oil-gas industry is considered immature and young, but I highly evaluate the ability of this collective, workers in this industry. Although there are immaturity and weaknesses, in their dealing with foreign companies they have experience and capabilities, with many of them being at a high level of ability and having professional skills. Naturally, compared to our immediate and long-term needs, their ranks remain small and weak. In the near future, our general corporation has a training program to reinforce our force of skilled workers and economic and technical management cadres, who will be satisfying better the need for extracting more and more oil for the benefit of our fatherland. I am very pleased and happy to be able to work with such people because they help me to grow up in many ways.

[Kham] Some people think that providers of oil-gas technical services are only dealers in small wares. Can they move up to become subcontractors?

[Thoang] I think that is true. But before you can become a large firm, you must be a five-and-ten first. One thing we need to ensure is not to let the time to run a

five-and-ten last too long; instead, we must move forward more strongly. The way the Geophysical and Oil-Gas Services Corporation (GPTS) works is a good model, for it has started from being small and gradually accumulating and has become a subcontractor providing technical services, exploratory drilling, and extracting of oil and gas. The Drilling Solution and Oil-Gas Products Corporation is also moving forward in this field. However, the technical services provided still are inadequate compared to the ever increasing need. Because we have just moved into this field, we can only perform some more common technical services; as to the complex and difficult ones, we cannot disregard them and must strive to move forward and to perform them also.

[Kham] So, in your opinion, we can do better in providing services?

[Thoang] Yes, but we must be determined and persistently pursue two principal solutions: On the one hand, we must have appropriate policies and measures to provide technical services. This means that we must have unity, a desire to move forward, joint work by many sectors and localities, and coordination and consensus. We develop only the things we can do. We should have no illusion regarding the difficult things we can do while knowing that we actually have no ability to do them. On the other hand, we must have appropriate investment policies and build a high-technology service base so as to be able to have access to markets. It is necessary to form joint businesses to attract capital, industries, and technology, particularly from the highly developed countries. On this basis we should enlarge our oil-gas technical services. Our general corporation will do its best to make the technical services sector develop more quickly.

[Kham] Can you tell us about the possibility of cooperation between the general corporation and American gas-oil companies after the lifting of the trade embargo?

[Thoang] American oil-gas companies had operated in Vietnam before 1975. We have long hoped to cooperate with them, but regretfully the U.S. government's trade embargo has prevented cooperation between the two sides. We have recently got in touch with a number of American companies. They have expressed the wishes that they could come to and cooperate with Vietnam. We highly evaluate the industrial capabilities and experience of American oil-gas companies. Therefore, there will be no obstacles to cooperation between us and them once the trade embargo is lifted.

[Kham] Please let our readers know the principal aspects of next year's program-project.

[Thoang] First of all, we will concentrate on the search for, exploration, and extraction of oil and gas; this includes carrying out contracts signed with foreign oil-gas companies. We will drill more wells, and the prospects for getting oil will thus be brighter; preparations will be made to start the work of searching and exploring

in a number of other lots, where geophysical survey has been performed but no search has taken place so far. We will invite other oil-gas companies to come and to sign new contracts.

In oil extraction, to obtain more than 6 million tons of crude oil, and to perfect the management of cost accounting as well, we will improve the industrial capacity in connection with extracting oil from the Bach Ho (White Tiger) field. We must protect the environment to the extent that when the oil output continues to increase, the danger of pollution must be reduced. A central job has to do with cadres, whose organization must be made equally important compared to their task. The key is to train cadres and to have plans for them to be able to shoulder efficiently the task of searching for, exploring, and extracting oil and gas, and to provide technical services.

[Kham] How about the gas pipeline and oil refinery?

[Thoang] These also are two major programs which must be decided by the government. We are accelerating the work for a start in 1993 of the construction of the facilities to collect, transport, and use the gas that comes along with the oil from the Bach Ho field and is brought inland. We can build a gas-liquefying plant, a very economic move; if we only bring in gas for use in generating electric power, the retrieving of capital will be slower.

As to the construction of an oil refinery, we are accelerating the steps of our work in order to present it to the government, which will make a decision. The reason is this is an important project requiring a large amount of invested capital. Consequently, it must be considered carefully in terms of industrial and financial possibilities and the form of cooperation with a certain foreign company so as to obtain the greatest results.

### **Urgent Socio-Economic Tasks in Forthcoming Period Cited**

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Nov 92 p 7

[Text] Over the first nine months of this year, the socio-economic situation in Vietnam has developed to a fairly stable extent. Although the crisis is not yet over, a way out has come into view. This has been clearly reflected by the main economic indexes:

**Agriculture:** The production of the Winter-Spring rice crop reaches 9.16 million tonnes, an increase of 2.37 million tonnes compared with 1991. If the production of subsidiary crops in terms of paddy equivalent is included, the figure will amount to 10.38 million tonnes, an increase of 2.57 million tonnes compared with 1991, which witnessed the biggest harvest since 1989. Although the Summer-Autumn crop is expected to reach only 4.5 million tonnes, i.e., a decrease of 217,000

tonnes compared with 1991, it remains a bumper harvest. Thus, 1992 food output may exceed 23 million tonnes. Rice export may be 2 million tonnes.

**Industry:** The total value of industrial production in the same period has increased by 14.4 per cent compared with the corresponding period of 1991, centrally-run industries increase by 23.2 per cent, local industries, 6.5 per cent, and non-State industries, 6.2 per cent.

Important products have recorded fairly great increases. Crude oil production reached 4 million tonnes, an increase of 1.2 million tonnes or 45.5 per cent; laminated steel, 134,000 tonnes, an increase of 30 per cent; pig tin increased by 82.5 per cent; cement, 20.9 per cent; and electricity, 6.5 per cent.

**Capital construction:** Big progresses have been made in capital construction. The value is estimated to be 2,752 billion dong (1 US dollar = 10,800 dong), 62.4 per cent of the planned target for the whole year, an increase of 3.4 per cent compared with the same period of last year. A number of key projects are being carried out and main objectives achieved as planned: the 500 KV North-South transmission line, the installation of the 5th turbine generator at the Hoa Binh hydro-power plant and the construction of the Thac Mo and Vinh Son hydro-power plants.

**Trade:** The prices increased by 13.7 per cent compared with late 1991. The average monthly increase is 1.6 per cent. This is the lowest increase compared with previous years. The prices of food, gold and US dollars were down by respectively 1.4, 3.9 and 3.4 per cent.

The estimated export turnover was nearly 1.7 billion US dollars, an increase of 17.4 per cent compared with the corresponding period of last year. Crude oil increased by 60.1 per cent; rice, more than double; tin, 58.1 per cent; coal, 35 per cent; rubber, 21.1 per cent; and coffee, 17 per cent.

The import turnover is expected to exceed 1.5 billion US dollars, a decrease of 8 per cent compared with the same period of last year. The import value of a number of main commodities remained high: petrol increased by 24.3 per cent; iron and steel, 8.9 per cent; insecticides 5.6 per cent; sodium hydroxides, 2.4 times; car inner tubes and tyres, 80.8 per cent.

In the same period 129 projects were licensed with a total of 1.2 billion US dollars in which invested capital amounted to about 300 million US dollars.

**Finance:** Progress has been made in the financial field. Budget receipts are estimated to reach 71.4 per cent of the planned figure (73.4 per cent for domestic receipts). However, there have been losses resulting from tax evasion and great amounts of unrepaid debts. In the State sector alone, pending debts amounted to 400

billion dong. Meanwhile the total expenditure is estimated to amount to 71.9 per cent of the planned figure. Overspending is expected to reach 8.5 per cent of the total.

**Social Affairs:** In the field of labour and employment, there has been substantial improvement. A total of 320,000 people have been provided with jobs, accounting for 26.7 per cent of the needs and 50 per cent of the annual plan. Meanwhile the personnel of the State sector has decreased by 300,000 people.

The 1992-1993 school year began with an enrolment of 2 million children in creches and kindergartens and 12 million pupils in 17,000 general education schools.

Although the socio-economic situation in the first nine months of this year has undergone positive changes, weaknesses and shortcomings still exist in all fields of activity: big budget overspending, slow reorganization of production, slow renovation of the management of State-run enterprises, limited success in bringing into play the productive potentials of non-State economic organizations, slow settlement of two major urgent problems: wages and employment; lax discipline; lack of stern measures to deal with corruption and contraband, two problems of primordial concern in socio-economic life. This state of affairs has adversely affected the people's confidence and the implementation of the socio-economic tasks.

In face of this situation, the Ninth National Assembly at its first session drew the Government's attention to six important problems to be solved in priority in the coming period:

- To put into effect concrete policies and appropriate measures to achieve continued stability in the financial and monetary situation, stabilize the market prices, check inflation, exert close guidance over the collecting of budget receipts, readjust currency circulation, credit, and other banking activities; create conditions for the development of production and business and the expansion of external economic relations.
- To concentrate efforts on resolving the employment problem, rearrange the labour in the State sector and reform the wage system, to work out and enact social policies, to pay particular attention to the life of ethnic minorities and people in mountain regions, and to the solving of urgent problems in cultural, education and public health fields.
- To take positive measures to help peasants trade their agricultural products, to provide good guidance for the export of rice and other agricultural products.
- To carry out close guidance over the rearrangement of production and business, continue to renovate the managerial mechanism of State enterprises, wage a resolute fight against negative manifestations and transgressions which damage production and State property.

- To make resolute efforts to check corruption, contraband and squandering, severely punish the production of fakes including fake medicines, the circulation of pornographic cultural items and acts damaging social order and security.
- To provide good guidance over the implementation of the tasks of national defense and security, ensure the requirements of these tasks in the present juncture and take steps to improve the living conditions of the members of the armed forces. VNC

### 1992 Economic Achievements Noted

932E0041A Hanoi THUONG MAI VA DU LICH  
in Vietnamese Dec 92 pp 1, 2

[Article by Nguyen Phuc Ung: "1992 Economic Achievements—for the Record"]

[Text] Driven by the progress achieved in 1991, in 1992 the socioeconomic situation continued to change for the better and was gradually heading for stability and development. In the economic field, our country continued to record very important new achievements in stabilizing and developing production and expanding goods circulation as well as in controlling and rolling back inflation....

**Agricultural production developed in a relatively comprehensive fashion**, with the value of agricultural output increasing by 4.4 percent over the previous year; especially, grain production achieved the highest output ever. The winter-spring crop was hugely successful, yielding a paddy output of up to 9.2 million tonnes, exceeding the previous year's output by more than 2.3 million tonnes. The summer-fall crop, although affected by drought, flash floods, and harmful insects and diseases in a number of coastal provinces in Central Vietnam and Nam Bo, still achieved an overall output of up to 4.5 million tonnes. The 10th-month crop, if not affected by unexpected natural calamities, can produce 7.5 million tonnes at least, given its relatively large cultivated area. Thus, all in all the grain output (in paddy equivalent) for the whole year may reach a record amount of nearly 24 million tonnes, far surpassing the 21-22 million-tonne mark we have longed for several years now.

Along with food grain production, production of industrial plants such as cotton, mulberry, rubber, coffee, tea, bean, groundnut... also developed fairly well in terms of both area and output.

In animal husbandry, hogs, poultry, cattle... all increased in their populations. As of 1 October, the hog population alone had gone up by 3.3 percent, while the output of aquatic products had grown by 3 percent.

Owing to the increased grain output, fairly large amounts of grain were kept in reserve among the people or put in circulation. This has not only ensured sufficient grain supplies for local consumption, thereby promoting ever greater social stability, but also helped set aside almost 2 million tonnes for export, turning our country into a

relatively big rice exporter. Grain prices in various regions remained relatively stable, no longer showing substantial discrepancies as in previous years. The development of agriculture, especially the abundant supplies of grain and foodstuffs, has created very important material bases for achievement of economic stability and development as well as for stabilization of prices and daily life.

**Industrial production** achieved a fairly high growth rate as, after years of tottering, it gradually adapted to the new environment and new mechanism. In 1992, the gross output of the entire industrial sector recorded an estimated increase of 15 percent, with the centrally managed industrial sector up by 23 percent, the locally managed industrial sector by 6.4 percent, and the non-governmental industrial sector by 6 percent.

Many industrial products that constitute substantial sources of revenue for the state budget achieved a *fairly high growth rates compared to the previous years, with the output of crude oil increasing by 36 percent; rolled steel, by 21 percent; tin ingot, by 30 percent; cement, by 12.5 percent; electricity, by 5 percent; soap, by 25 percent; tobacco, by 10 percent; beer, by 11.6 percent; instant egg noodle, by 26.7 percent.... As for a number of other products, despite a slight drop in quantity, they acquired a much better quality and higher value than before, such as high-grade cloth, garments for export, electric fans....*

A new, outstanding feature is that, after three years of decline, in 1992 the locally managed industrial sector began to look up. Especially, industry in various major cities achieved a fairly high growth rate as compared to 1991. For instance, industry in Haiphong City increased by 40.8 percent; in Hanoi, by 27.8 percent; in Ho Chi Minh City, by 14.5 percent; in Dong Nai, by 25.4 percent, and so forth. This is an important turning point in the process of industrial renovation and development.

#### **Capital Construction of Various Important Projects Was Ensured.**

Although the sources of capital for investment remained very limited, in 1992 we still devoted a big chunk of the state budget to capital construction. Thanks to this, a number of important projects and important sections of projects of the state were still implemented on schedule, such as completion of the installation of the generator units nos. 5 and 6 of the Hoa Binh Hydroelectric Power plant; completion of the construction of the dams of the Thac Mo and Vinh Son Hydroelectric Power Plants; beginning of the construction of the North-South 500-kilovolt power transmission line; construction of the Hanoi-Noi Bai Airport highway, the Vietnam-China railroad, the radio relay system, and so forth.... These projects will contribute to improving the infrastructure to facilitate development in subsequent years. Among the achievements in construction investment, we must also mention the completion of various typhoon and flood control projects—which involved the excavation of nearly 2 million cubic meters of earth and rock—along

with dam buttresses and sluices; the opening of thousands of hectares of new land for cultivation, the planting of more than 100,000 hectares of forests....

Although the United States still maintains its embargo against our country, direct capital investment by foreign countries has continued to grow. In 1992, we attracted more than 220 direct foreign investment projects worth more than \$1.2 billion. These projects have had the initial effect of promoting the development of various branches and trades, the renovation of equipment and techniques, the employment of more workers, and the production of more products and goods for local consumption and for export.

**Export continued to be stepped up and export value increased fairly substantially.** Despite the fact that, in the first months of 1992, the (former) Soviet Union and East European markets remained closed to us, bringing the export of many traditional items to a standstill, thanks to the dynamism and efforts of various sectors, localities, and establishments in expanding the market, the value of exports in 1992 increased by nearly 20 percent over 1991. The exportation of many important items of great economic value and capable of earning large amounts of foreign currencies—such as crude oil, coal, rubber...—increased fairly substantially. Owing to increased exports, foreign currencies were available for importing essential materials and goods in sufficient quantities to meet the demand of local production and consumption, especially those indispensable materials that previously we had to rely on foreign aid for importation from the Soviet Union and East European markets and that now have to be imported mainly from other markets.

A new stride is that, in 1992, the import-export balance of payments recorded a surplus for the first time. Although the surplus is not substantial, it constitutes a new, good sign in import-export activities and proves that we can step up export while taking the initiative in importing necessary materials and goods with our own means.

**Goods circulation continued to be expanded,** the local market became increasingly lively; and goods were in abundance, diversified in form and attractive in color, thereby meeting ever more satisfactorily the demand of production and daily life. The state trade service and marketing cooperatives, though suffering a decrease in the ratio of total retailing value on the social market, did show an initial recovery of their stature and clearly assert their roles as the main wholesalers and retailers of essential goods. Relations of supply and demand and of materials and goods trading in the market developed in an increasingly normal, convenient, and easy fashion.... Commodity prices were relatively stable, especially the prices of grain and foodstuffs remained fairly stable the year round, thus creating a favorable environment for—and contributing to—promoting the development of production and the stabilization of the people's living conditions.

State budget revenue increased significantly, sufficiently providing for domestic expenditures and devoting part of the accumulated capital to investment for development and to debt servicing. Thanks to the fact that production and business were developed and improved in quality and efficiency, in 1992 a larger portion of production-based national income was mobilized as a source of state budget revenue; if this source accounted for 18 and 21.1 percent of the state budget in 1990 and 1991 respectively, it accounted for 22 percent in 1992. The source of revenue from the state economic sector made up the bulk of the state budget, increasing by 73.4 percent over the previous year, with the revenue from oil and natural gas in particular going up by 93.3 percent. The revenue from the nonstate economic sector grew by 40.7 percent. In 1992, although the revenue from foreign aid and loans represented a very small portion of the state budget, thanks to the increasing domestic sources of revenue, we still managed to provide for the necessary expenses to maintain normal operations of the state apparatus and to develop public health and educational services, training, scientific research, and other social activities. Especially this year, a fairly large portion of the state budget has been devoted to supporting government personnel reduction; creating jobs; and paying cost-of-living allowances for state workers and civil servants, members of the armed forces, and other people entitled to welfare policy benefits to ease their difficulties in the process of carrying out wage and social policy reforms.

Another outstanding achievement is our success in *continuing to control and reduce inflation*, as evidenced by the marked decrease in the rate of inflation reflected in the 1992 price indexes. During the first months of this year, prices still fluctuated at a relatively high rate—about 4-5 percent per month. Since March, prices have gradually dropped, reducing the rate of fluctuation to only nearly 2 percent per month on the average, and raising the expectation that the price indexes for the whole 1992 would increase by less than 20 percent over 1991, considerably lower than the target of 30-40 percent increase set early in the year. Worthy of note is that food, gold, and dollar prices have gradually gone down and have fluctuated in a fashion consistent with their market value. Commodity supply-and-demand relations in the market have tended to stabilize gradually and there have been no sudden price crises as in the previous years. The purchasing power and value of the Vietnamese currency have clearly increased after years of serious depreciation. This is the combined result of numerous factors, especially the growth of production, the expansion of goods circulation, and the implementation of various appropriate policies concerning macroscopic management regulation. Thanks to the curbed inflation, the purchasing power and value of money have been raised and its functions restored, thereby creating a favorable environment for production, business, and investment to develop and contributing to stabilizing the people's standard of living.

Although there still remain numerous difficulties and even unstable factors, which we must continue to strive to overcome, the achievements recorded in 1992 are of great significance and highly encouraging, given the fact that the international situation has been developing in a complicated fashion and that the domestic situation is still fraught with difficulty.... These achievements have created additional bases and increasingly favorable conditions for our country's economy to advance with ever greater confidence. At the same time, they have also confirmed that the renovation line pursued by our party and state is in accord with the situation and the law of evolution of our time.

These are extremely important premises and encouragement for us as we enter 1993, the pivotal year of the 1991-1995 period.

### Export Realities, Prospects Discussed

932E0035A Ho Chi Minh City TAP CHI THUONG  
MAI in Vietnamese Dec 92 p 15

[Article by Tran Ba Tuoc: "Export: Realities and Prospects"]

[Text] In recent months, the fact that the value of the U.S. dollar continued to drop relative to the Vietnamese currency caused headaches for many corporations dealing in export goods. The policy of our state is to encourage export, but as the value of the dong rises, export becomes more difficult because Vietnamese products find it harder to compete with (those of) the neighboring countries.

Each country in the world has its own measures to protect the goods it exports. The Asian dragons, which have relied on the vast American market to get developed, in spite of the surpluses in their trade with the United States, are seeking every means possible to hold the rate of exchange of their currencies at low levels and to adjust it just little by little to the extent that their economy can bear it.

Except for crude oil, all Vietnamese export goods must compete with similar goods in the region. Our country is an agricultural one. Our agricultural products, such as rice, coffee, beans of various kinds, and even rubber, are not different from those of other Asian countries like Malaysia, Thailand, Pakistan, Indonesia, and so on. If there are no natural disasters, we shall have good crops and these countries will also have good crops; and, in this case, supply can exceed total demand and, as a result, prices of export goods will certainly drop. The case of Vietnam's rice can be considered a typical one. By the end of October 1992, we have exported about 1.4 million tons of rice, with high-quality rice accounting for over 35 percent. That was a good development, but rice prices were gradually decreasing. There were many reasons behind the decreasing, including competition from foreign countries, but a rather common one was price pressure. Although we have the Association of Rice Exporters and the Ministry of Commerce, which issues export licenses, the prices of export rice are not totally

the same. The amount of foreign currencies being actually obtained from sales is also a matter we must examine. Another fact is that industrial countries and countries specialized in agriculture have produced greater quantities of rice than needed to satisfy the demand of those people who have money (high income) and are willing to buy it. On the contrary, the famine-stricken African countries do not have money to buy it. In many cases, we must sell our rice in order to have foreign currencies for our imports. Our domestic price mechanism, which does not truly reflect realities, makes the domestic prices of many of our products unsuitable for international markets; as a result, our products find it very difficult to have access to these markets if there is no support provided by an export goods subsidy policy.

As to industries, the ready-made clothing industry has grown rather quickly even after the market in the former Soviet Union had disappeared. Our productive capacity is great, but we are having difficulties in terms of the quotas set by other countries against Vietnam. It is these difficulties that impose on the Vietnamese ready-made clothing enterprises unavoidable price pressure and put them in a situation of being taken advantage of due to cheap labor. The fact that coordination remains far from good does not bring about any proper control over distribution and utilization quotas. It is then easy for a situation in which quotas are bought and sold to take place.

An economic war between the United States and the European Common Market may break out if the negotiations on farm subsidies fail to bring the two sides to an agreement. The current restrictions among the rich countries have caused world trade losses amounting to hundreds of billions of dollars each year including the share to be shouldered by the developing countries. A typical example is the fact that Vietnam can export to this market only 30,000 tons of sliced manioc per year and a very small yet unstable quantity of ready-made clothing. At present, there virtually is no free trade. Countries all have had bilateral agreements or have established trade blocs, tariff alliances, and so on so as to limit the activities of non-member countries. The world is lacking an established system regulating the international trade.

However, 1993 will still be a year of export development for Vietnam. Many favorable factors show that Vietnamese exporters and importers will have a larger market for their ready-made clothing. Farm product quotas will also be increased. The relations with another economic power—Japan—have been improved. With Japan having resumed aid to Vietnam, now we have another official market for our export goods, despite the fact that Japan's market is quite inaccessible because of strict quality and other rules.

As we consider the last few years' statistics, we have a total confidence in the growth of such export items as crude oil, rice, coffee, rubber, sea products, and ready-made clothing. To accelerate this growth even more, the state must be very responsive in the efforts to look for

markets and to give active support to Vietnamese products so as to allow them to enter those markets where stable and lasting trade can exist. A requirement that is no less important is that our export-import units maintain close coordination and share information among them so as to avoid being taken advantage of by foreign countries in regard to price pressure and quality and samples demands. If we fail to act on the basis of common interests, we will hardly have a source of foreign currencies that we need to support domestic investment and production.

### Article Describes Country's Major Seaports

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[Article by Phan Ba Hieu]

[Text] Along the 3,000-odd kilometres of sea coast from north to south Vietnam, a system of seaports has been opened to international navigation. They are the ports of Quang Ninh, Hai Phong, Nghe Tinh, Da Nang, Qui Nhon, Nha Trang and Saigon.

In past years when Vietnam did not yet follow the "open-door" policy, these ports mainly received ships from the (former) Soviet Union and East European countries bringing aid goods and to some extent commodities exchanged between Vietnam and those countries. The ports regarded as great ones like Hai Phong and Saigon could only receive 10,000-tonne ships. The other ports could only receive ships and boats of two to five thousand tonnes. The volume of goods passing through the ports was very small: about seven million tonnes in peak years for all the seven ports.

The loading and unloading capacity of the above-mentioned ports is still low due to difficulties in material and technical installations. All the seven ports are located in or near towns. Meanwhile the communication network and the means of transport to carry goods from the ports to other places and inversely are much limited, especially as regards the railways. Furthermore, the channels are shallow and silted up. Navigation signals are inadequate and some ports are accessible to ships and boats only in the daytime. The loading and unloading equipment is antiquated. Special harbour installations are still lacking.

### Major Ports in Vietnam

In recent years, renovating the managerial mechanism, the Vietnamese State has promulgated many laws with among them the Vietnamese Code of Maritime Navigation.

On the basis of these laws, accepting the multi-sector mechanism with competition in economic activities, and to meet the needs of the open-door policy, the Vietnamese State has built a series of other ports to receive domestic and foreign ships. Now there are over 20 new seaports under local management: the Cua Ong harbour

accessible to 50,000-tonne ships, the Saigon Petro harbour accessible to 20,000-tonne oil tankers, the Can Tho harbour accessible to 10,000-tonne ships, etc.

A peculiar feature of ports in Vietnam's new mechanism is the coming into existence of new harbours bearing the name of old ones: Cam, Thuy San (Aquatic products), Thuong Ly harbours in Hai Phong port; Tan Cang, Rau Qua (fruits and vegetables), Ben Nghe and Tan Thuan harbours in Saigon port.... Among these new harbours, some possess special facilities for container ships.

There are now nearly 30 ports under the management of the communications and transport services or the local authorities. All ships and boats entering and leaving them are legally under the supervision and control of the harbour authorities which treat them on an equal basis. Cargo or ship owners and ships' captains may request at will to enter any harbour for loading or unloading, nobody may compel them to enter one harbour or another.

Perhaps on account of this, the harbour authorities have had to change the installations, improve the modes of loading and unloading, increase the rapidity of the operations, ensure the safety of the goods, levy reasonable fees in order to attract more customers.

Harbour renovation is most obvious in three ports. Hai Phong, Nghe Tinh and Saigon.

The **Hai Phong port** has in total 6,400 metres of wharves, and over 200,000 sq.m. of storehouses. It is the biggest port in northern Vietnam. Located at a distance of 35 km from the mouth of the Bach Dang river and 102 km from Hanoi capital city, it possesses two secondary harbours namely Chua Ve and Vat Cach respectively in the lower and the upper streams. There are 19 harbours and two anchorage grounds in the Ha Long Bay to be used mainly by cargo ships. One harbour has recently been renovated for container ships. The volume of goods passing through the port in the first six months of 1992 was about 1.3 million tonnes. The port has a capacity of 4.6 million tonnes/year and 135,000 TEU/year. The loading and unloading capacity is 20,000 tonnes/day. It is to be raised to 8 million tonnes/year in the future. The port's channels are being dredged for the purpose of increasing its capacity. In 1991, 2.8 million cubic metres of alluvium were dredged. Project VIE/88/014 carried out by the Department for Scientific and Technological Cooperation of the Vietnamese Ministry of Communications, Transport and Post with UNDP's [United Nations Development Program] financial assistance to the amount of 1,034,300 US dollars is helping to fight alluvium in the port. This project is to be accomplished in three years (1991-1993). In the forthcoming period, the Vietnamese Ministry of Communications, Transport and Post will also cooperate with its French counterpart in research to fight alluvium in the port. In Hai Phong port, there are also other harbours: the Cam harbour under the Hai Phong municipality, the harbour for

aquatic products under the Aquatic Products Department and the Thuong Ly anchorage ground under the Trade Ministry. The Cam harbour managers have entered into joint venture with the Federal Republic of Russia to expand it and increase its capacity of receiving ships and cargoes.

- Seven seaports, of which the three greatest—Hai Phong, Nghe Tinh and Saigon—are located in three provinces in northern, central and southern Vietnam, form a fairly convenient system of sea transport
- The open-door policy and the managerial renovation at the ports have raised the loading and unloading capacity to meet export and import requirements
- Joint venture and association are promoted to attract foreign investment into the construction of harbours.

The **Nghe Tinh port** is located in central Vietnam. It is also under the Ministry of Communications, Transport and Post. It comprises two areas: Ben Thuy, a harbour subdivision located in Vinh municipality and Cua Lo, a harbour subdivision on the coast of Nghi Loc district. These two areas are 25km away from each other by road, and 36km by sea. With the advent of the market mechanism, this port was once believed to be nearing disparition. But thanks to a strong renovation endeavour, and a bold effort to invest in loading and unloading equipment and turning to account its advantageous position near to the sea (the channel for entry and exit is only 7km long), the harbour authorities have managed to transform the channel, making it accessible to 50,000-tonne ships and to build 160 metres of wharf. The harbour has also been equipped with mobile cranes capable of lifting from 5 to 10 tonnes. The volume of cargoes passing through the harbour in the first six months of 1992 amounted to 80,000 tonnes. This year the Nghe Tinh port has opened the new harbour of Xuan Hai under the local authorities. This harbour having more favourable conditions than the others in Nghe Tinh is attracting many cargo and ship owners.

The **Saigon port** is regarded as the one with the biggest volume of transiting goods of all Vietnamese ports. It is a seaport lying on the Saigon River 85km from its mouth and close to Ho Chi Minh City. It comprises three parts:

- The Nha Rong harbour accessible to 7,000-tonne cargo ships.
- The Khanh Hoi harbour reserved for 15,000-tonne cargo ships.
- The Tan Thuan harbour reserved for container ships and RoRo ships.

The Saigon port possesses 19 wharves with a total length of 1,965m and an anchorage ground in the adjoining area. There are areas reserved for cargo ships and those carrying detached commodities, containers and passengers. The channels and the water depth in front of wharves ensure safe entry and exit for ships having the tonnage mentioned above.

The volume of goods passing through the port in the first six months of 1992 amounted to 2 or 3 million tonnes. The port's capacity is 5 million tonnes/year.

The Saigon port has entered into joint venture with a foreign company to invest in the improvement of an international standard harbour for container ships. In addition to the above-mentioned harbour areas of the Saigon port, other harbours are to be found along the Saigon river: Tan Cang, Nha Be, Rau Qua, Saigon Petro, Ben Nghe, Tan Thuan Dong and others. The Ben Nghe harbour has entered into joint venture with a foreign country to build a special harbour for container ships which may be said to be the best of its kind in Vietnam.

Besides the above three ports located in the three geographical areas of north, central and south Vietnam, mention is to be made of an important specialized port—the Quang Ninh port.

**Quang Ninh port** is a common name for the Cua Ong, Hon Gai and B.12 oil tanker harbours. As indicated by its name, the latter is a special harbour for oil tankers. It is accessible to 20,000-30,000 tonne ships. The Hon Gai and Cua Ong harbours are for coal loading. Hon Gai is accessible to 15,000-tonne ships while Cua Ong is accessible to 50,000-tonne ships. These harbours are located in the Ha Long Bay, 60km northeast of Hai Phong. Their coal-loading equipment is ordinary one, there are no modern special installations. Yet in the past six months, one million tonnes of coal have been loaded in Hon Gai and Cua Ong.

A deep-water harbour, the first of its kind, is under construction in this area: Cai Lan comprising seven wharves with a total length of 1,371m. When completed, the harbour will be accessible to 30,000-tonne cargo ships. Wharf No. 1, 166m long and 9m deep now under construction, is to be completed later this year (1992).

It may be affirmed that over the recent years, due to the coming into existence of a new managerial mechanism and the implementation of the open-door policy, a series of new harbours have been built, forming a system of Vietnamese seaports equally distributed throughout the country. All of them are equipped with new installations and the mode of operations is more advanced. Ships and their cargoes have no longer to wait for entry into harbours as in the past. Coming ships are rapidly loaded or unloaded, losses of goods are reduced. The picture of Vietnamese seaports is rapidly changing.

#### Prospects for the Future

In the forthcoming years, the Vietnamese system of seaports will directly proceed to the modernization of some fields of activity. Priority is to be given to harbours specializing in the reception of container and cargo ships. Joint venture and association will be expanded to attract capital, both domestic and foreign, for in-depth investment. Special attention is to be paid to the expansion and improvement of the Can Tho port, a regional harbour for 10,000-tonne ships. One or two deep-water

harbours will be built in Vung Tau to receive big ships. Construction work will be speeded up in the Cai Lan harbour which is to receive 30,000-tonne ships.

Joint venture and association with foreign countries will be promoted. A number of projects have come into existence: joint venture for repairing harbour facilities Sea portfacil with Kunsai Kydo Ltd. (Japan), joint venture for container transport Gemartrans with the French General company GMC, joint venture for container transport between the Saigon port and the Danish company EAC—Saigon Shipping Service Ltd. APS.

A number of investment and joint venture projects are awaiting ratification by the Vietnamese State: construction of the Vung Ro harbour (Phu Yen) with an estimated investment of 6 million US dollars; upgrading of the Qui Nhon port; construction of the Vung Tau harbour; expansion of the Cam Pha and Hon Gai harbours; construction of the Cau Den harbour (Ho Chi Minh City); building of the Tan Thuan harbour for container ships (Ho Chi Minh City); construction of the Lach Tan Thuan harbour; and upgrading of the Saigon port.

#### Smuggling Activities, Suggested Solutions

932E0041B Hanoi THUONG MAI VA DU LICH  
in Vietnamese Dec 92 p 7

[Article by K.D.H: "Smuggling—The Real Situation and Suggested Solutions"]

[Text] At the first session of the Ninth National Assembly, many deputies had strongly condemned corruption and smuggling, considering them "national disasters." These representatives of the people proposed that the party and state adopt the most resolute possible measures to "eradicate" these "national disasters," thereby ensuring the steady advance of the country's renovation process and contributing to making the people prosperous and the country powerful.

In an editorial carried in its 13 October 1992 issue, NHAN DAN remarked..."Smuggling has become prevalent and increasingly serious in many localities. This evil has occurred in all economic sectors and all business activities and has spread to a number of administrative agencies, social and mass organizations, and the Armed Forces, involving even a number of cadres of the forces directly in charge of struggling against smuggling. Smuggling activities in our countries have proceeded along different lines and goods channels, are tightly organized, have international connections, and mainly rely on state-owned means including automobiles, trains, aircraft, ships, ocean-going vessels, and the postal network...."

This fact is clearly visible even if we just take a look at the illegal import of automobiles alone. In two years, 1991-1992, thousands of cars were illegally exported to China through various northern border crossings. Automobiles have also entered our country mainly by smuggling in various forms. The number of cars brought into

Vietnam from Cambodia surreptitiously, as vehicles in transit, or as temporary imports have steadily increased. For example, during the first nine months of 1992, 1,086 cars entered our country through border crossings in An Giang Province and 800 others were brought in through crossings in Tay Ninh Province. In Long An alone, 289 vehicles entered our country between May and August 1992, and only nine of them later returned to Cambodia. That was the incoming; how about the outgoing? By the day the government imposed a ban on car export (13 August 1992), Cao Bang Province had "managed" to export 1,398 automobiles across the border while hundreds of others were "evacuated" and "kept under camouflage" in caves and grottoes. In Lang Son and Quang Ninh, although business was slower than in Cao Bang, thousands of cars were exported as "vehicles in transit." Who were bold enough to have undertaken such transactions if not the state agencies and state-owned business establishments themselves? It is interesting indeed to note that in Cao Bang alone there are up to 44 provincial-level state organs participating in cross-border automobile export business, including even party and administrative agencies and law-enforcement organs. Regarding other kinds of goods, their illegal importation has been no less extensive—and has even more widespread—than the illicit importation of automobiles. In Kien Giang, An Giang, Dong Thap, Long An, Tay Ninh, and Song Be Provinces and Ho Chi Minh City, during the first nine months of this year, from 2,000 to 6,000 cases of smuggling or trading in banned goods were discovered in each of these localities, but most (99 percent) of the cases were only subject to administrative disciplinary measures. During nearly the past 12 months, in the 16 provinces with border crossings, only 84 cases involving 214 suspects were prosecuted and tried by the people's courts on criminal charges (including 39 cases in which 121 suspects were charged with cross-border smuggling and 45 cases in which 93 suspects were charged with trading in banned goods). The majority of the accused were laborers or state cadres, workers, and civil servants who, driven by difficulties in daily life, worked as hired contraband carriers or used state-owned vehicles to transport smuggled goods for a fee. Therefore, or this reason, 81 of them were given suspended sentences, 113 received seven-year or shorter jail terms, and only 15 were sentenced to seven-10 years imprisonment. How could we hope to make smugglers tremble with fear with such indiscriminate applications of administrative disciplinary measures and such "perfunctory" legal actions? It could be concluded that *all the smuggler ringleaders and chieftains are still untouched by the law*. A typical case is Song Be Province, where 6,330 cases of smuggling have been broken, but the local courts have only tried three cases involving four "small-fry" suspects. How could we effectively suppress smuggling when in An Giang Province up to 3-4 billion dong were collected in some weeks as tax from contraband as a source of revenue for the local budget? When the railway and postal services of Lang Son Province acted as guarantors for the use of state-owned means to transport smuggled goods worth billions

of dong? And when officials at the Ben Cau border crossing in Tay Ninh Province allowed smugglers to openly use all means to transport contraband along the highways? How could we prevent smuggling when it was the people of position and power and in charge of "guarding" the border and crossings who were on the take and took bribes from smugglers—such as the directors and deputy directors of Kien Giang Province's customs service and of the security service at Tan Son Nhut Airport and the customs service in Ho Chi Minh City—or who colluded with foreigners in automobile smuggling—such as the deputy director of Can Tho Province's public security service? Many people say that tax and customs officials at border crossings in Lang Son and Tay Ninh can "save" from 500,000 to 1 million dong a day, that each official only needs to work there for one or two years to be able to acquire multi-storied homes, new-model motorcycles, and so forth...

From the real state of smuggling activities cited above, we can draw the following preliminary conclusions:

- Smuggling upsets order and discipline and state laws and causes socioeconomic instability. Smuggling fosters corruption and promotes other crimes in disturbing political security, social order, production, and the people's lives. It causes the loss of hundreds of billions of dong to the state in uncollected taxes....
- Smuggling can exist and develops because a section of state organs and state cadres, workers, and civil servants who, motivated by parochial or personal interests or by greed, are playing the role of "shock troopers" in smuggling operations both inside and outside the country.
- The majority of contraband consumers are also state organs and state cadres, workers, and civil servants; this is why we are still unable to suppress smuggling despite the many suppression drives we have launched.
- A number of documents issued by the government and provincial people's committees still contain many loopholes that allow the lower echelons to permit activities prohibited by the upper echelons, thereby constantly enabling smugglers "to seize the opportunity" to enrich themselves. When such loopholes are rectified, smugglers have already "filled their pockets."

Once we have called smuggling a "national disaster" and an "aggression from within," we must resolutely struggle against it by all means.

Recently, the prime minister as well as the minister of justice have issued directives and taken urgent measures to suppress smuggling. We would like to suggest the following additional measures:

1. The government and various echelons should meticulously check "every word and phrase" of their decisions and directives on import-export and on the kinds of goods various economic sectors are allowed to trade in....

This is to prevent opportunists and smugglers from exploiting these "oversights" to enrich themselves.

2. The government should organize regular, unscheduled inspections of "border crossings," airports, piers... to promptly rectify any lax management, and to strictly and promptly deal with bribe-takers and those who enrich themselves in the name of the state.

3. The government should issue orders absolutely prohibiting the following:

—State agencies, social and mass organizations, the Armed Forces, and all cadres and party members are prohibited from smoking foreign cigarettes and using foreign cigarettes and beer to entertain guests.

—All restaurants and coffee-shops are prohibited from offering "beer-and-hostess" services in any form. Such places are gathering points for debauchery that corrupt cadres; they are also places where foreign canned beer and cigarettes are used to indulge influential corrupt people and smugglers.

—The government should entrust responsible sectors with the task of systematically and strictly checking all cases of smuggling that have been subject to administrative disciplinary measures to ensure that all acts of smuggling are severely dealt with according to laws, no matter who the perpetrators and what their positions are.

We think that only by applying numerous uniform measures nationwide the country can we hope to check the evil of smuggling and contribute to rolling back corruption as stipulated in the government's program of action.

## SOCIAL

### Night of Orgy With HCMC High Class Noted

932E0043A Ho Chi Minh City TUOI TRE  
in Vietnamese 15 Dec 92 p 2

[Article by Hoang Linh: "Night of Orgy of the Young Upper Classes"]

[Text] Pierre Tan began to gain notoriety among the young upper classes in early 1992 as a big spender, a playboy, and a connoisseur of all kinds of carnal delights.

Pierre Tan, whose real name is Ly Hong Van, is an overseas Vietnamese formerly residing in France. Now living at 143 Dong Khoi Road, he has become the leader of many groups of playboys in Ho Chi Minh City. The motto of this particular princely pleasure-seeking cotery is the "Fourteen Cravings," namely the cravings for appetizing food, heavy drinking, fashionable clothes, coquetry, putting on airs, grandstanding, singing, dancing, debauchery, flirting, gambling, exchanging confidences, destruction, playing people off against each other.... The group's symbol is a stylized drawing depicting sex. To qualify for membership of this group, one must have a car (or a

"Dream" motorcycle) and "live it up as if there was no tomorrow." And how have they lived it up?

### An Orgiastic Birthday Party Night

This princely group of playboys has around 60 members, among them overseas Vietnamese, restaurant and shop owners, foreign company employees.... And of course, all of them have a lot of money.

For four or five months now, the Pierre Tan group have regularly appeared at dance halls and restaurants catering exclusively to foreigners and wealthy locals.

The Pierre Tan group's merrymaking style far outclasses that of other run-of-the-mill groups of "mandarin's sons" frequently gathering at entertainment places such as Thai Son, Hoan Kiem, Super Stars, Que Huong, Maxim....

On the evening of 12 December, Pierre Tan threw a birthday party at the Century Dance Hall (on Nguyen Hue Street), and what a special birthday bash it was! The guest list figured a highly select group of well-to-do young playboys, singers, actors, fashion models, young bosses... all longtime close friends of Pierre Tan. The invitation cards, also of a very "original" design themselves, listed in full the group's guiding principles (the "Fourteen Cravings" and other things guests needed to bring to the party (Vietnamese money, U.S. dollars, condoms...). On their outside, the cards featured a stylized drawing depicting sex, the group's symbol. Pierre Tan reserved all the karaoke rooms on the 11th floor in preparation for the various games to be played during the party. The dance floor in the central dance hall was to be the scene of the first games. Guests put down their names (and their nicknames used among the group) along with their signatures or finger prints on a banderole hung in the hallway. The names and nicknames included: *Prince Jhoan, Princess Paola, Little Dragon Lady, Little Boy Phallus, Songstress Tuyet Linh, Student Man, Flirtatious Huy, Palace Maid Malin, Eunuch Quan Tieu Dung*....

They began to swirl around on the dance floor, dancing while screaming "Take it off, take it off, take it off" and other sexually provocative words.... The dance floor was totally taken over by the Pierre Tan group. Feeling ashamed and finding the scene unbearable, other patrons, who were not guests to the party, left one by one....

Around 2200, more than 40 key members of the group withdrew to the separate reserved area, getting ready for other games.

### Timely Intervention by the Law

At 2300, Ho Chi Minh City public security officers rushed in and cordoned off the entire area. Still found littering the floor and scattered on the tables and chairs, on flower pots... were condoms already taken out of their containers and numerous drug injection devices.

Captain Q.H.D. and criminal police and public security scouts had to resort to professional measures to stop the extremist acts of some members of the Pierre Tan group. On behalf of the city's Public Security Service, Lieutenant Colonel Hoang Luong (head of the Criminal Police Office) read a special search warrant and order for all the guests to the birthday party who were present at the scene to be taken into custody on charges of *illegal association activities and outrageous acts against good morals*.

All the "special guests" asked to phone home. Following their gross but fruitless acts of resistance, they proposed to "settle" the matter with...money.

The city Public Security Service took into custody 24 persons. They were: Nguyen Vinh Khuong, Hoang Mong Van, Nguyen Ngoc Hung, Nguyen Thi Truc Mai, Tu Xuan Vu, Phan Bao Tri, Doan Dinh Trung Duong, To Thi Minh Nguyet, Vu Van Minh, Pham Minh Huy, Duong Thanh Long, Luu Hong Duc, Pham Ngoc Son, Nghiem Quoc Trung, Tran Ngoc Huong, Nguyen Hoang Duong, Pham Hong Dung, Ngo Quoc Man, Nguyen Bach Tuyet, Nguyen Phi Hung, Pierre Tan, Phan Khanh, Pham Si Chien, Nguyet Huong....

After undergoing preliminary interrogation and signing reports on their being caught red-handed in the act of committing an offense, six of the guests were released on their own recognizance, while the 18 others were taken to the city Public Security Service's office for further investigation.

A TUOI TRE correspondent, who had witnessed the incident from the beginning, talked with singer Ngoc Son:

—*You were invited to perform here?*

—No, I was a guest to the birthday party. The model guitar you see there is my gift to Tan.

—*How did you come to know Tan?*

—Through Ly My Dung; after that we did go out together.

—*Did you receive and read Pierre Tan's invitation card?*

—Yes. I felt a little bit scared. But I came anyway, for fun.

Ngoc Son is one of the singers with the highest income in Vietnam today. It is true that he lacks nothing, except the Pierre Tan-style amusements!

Another reveler put it more candidly:

—We want to have fun, we have money, we have tried everything life has to offer. Now we are having fun in our own way. This is freedom, why do you arrest us?

P.K., an English teacher, was more philosophical:

—I object to being branded with the label "decadent culture." Only man is decadent, there is no such thing as a decadent culture. And man is free....

Movie actress Mong Van, after scuffling with city public security officials and wrecking their video camera, told the TUOI TRE correspondent the reason for her presence at the party:

—I was late. I was invited to Tan's birthday party by My Dung. I did not even get an invitation card, let alone read it....

But the young actress then asked in the same breath:

—Is it true that the obscene contents of the invitation card were the real reason that brought the public security here?

#### **Pierre Tan: Doing As He Pleases, Regardless of the Law**

In his deposition made on 13 December 1992 at the office of the Criminal Police Unit 7, Pierre Tan revealed some details of the orgiastic birthday party night:—"At first, I intended to give the party at Disco Kara with 30 invitees. But, as a review showed that there would be more than 60 guests, I switched to Century. The guests were carefully selected. They must be under 30; older persons were not invited.

—Investigator: Did you know that what you did was a violation of the law?

—Pierre Tan: I do whatever I like to do!

—Investigator: Including calling other people's fathers and your own father names?

—Pierre Tan: If I like it and if it is necessary....

The other persons at first tried to deny any wrongdoing by arguing tortuously, but later owned up to their group's licentious shenanigans. The group members' common character is that they make a lot of money or are financially well provided for by their families and have tasted all the pleasures of life. Now, they are looking for the most exotic, the most unusual delights to indulge in.

Captain Q.H.D., head of the investigating team, said: This is the first time we discovered such a decadent group of merrymakers. Results of investigation have showed that most of these young people have very high income and that their families are wealthy. Money and idleness drive them to constantly "create" new games to play, regardless of their immoral and illicit character.

We have just learned that a number of invitees to Pierre Tan's orgiastic birthday party night who had missed the second phase of merrymaking have celebrated their good luck with a lavish drinking party at a restaurant in the Bach Dang area on the evening of 13 December 1992.

**BIOGRAPHIC****Information on Personalities**

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[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese language sources published in Hanoi, unless otherwise indicated. An asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

**Nguyen Ky Cam [NGUYEENX KYF CAAMR]**

State inspector; he was born on 19 October 1929 in Cam Xuyen District, Ha Tinh Province; he joined the revolution in August 1945; for many years he worked in the inspection branch; before being appointed chairman of the State Inspection Commission in April 1989, he was secretary of the CPV [Communist Party of Vietnam] Committee, Nghe Tinh Province (1989); he was also minister of labor, war invalids, and social affairs in 1987; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Ha Quang Du [HAF QUANG ZUWJ]**

\*Minister in charge of a number of government affairs; he is an ethnic Tay; he was born on 25 October 1945 in Chiem Hoa District, Tuyen Quang Province; he joined the revolution in 1961; he has an agricultural engineering degree; for many years he was one of the leaders of the Ho Chi Minh Communist Youth Union and became first secretary of the union's Central Committee in August 1988; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Nguyen Quang Ha [NGUYEENX QUANG HAF]**

\*Minister of forestry; he is 55 years of age; he was trained in forestry and obtained a college degree in China; he later attended the Leningrad Forestry Institute as a doctoral candidate. After returning to Vietnam, he became director of the Forestry Institute and stayed in this position for several years; on 16 December, he was appointed minister of forestry by the National Assembly (TIEN PHONG 22 Dec 92 p 3)

**Tran Hoan [TRAANF HOANF]**

Minister of culture and information; he was born on 27 December 1928 in Trieu Hai District, Quang Tri Province; he joined the revolution in 1945; he is a music composer and has worked in the cultural field for many years; he has been deputy chief of the Central Department of Arts and Culture since 1983; in December 1987, he became minister of information and deputy chief of the Central Department of Propaganda; in March 1990, he was appointed minister of culture, information, and

sports; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Dang Huu [DAWNGJ HUWUX]**

\*Minister of science, technology, and environment; he was born on 2 January 1932 in Phu My District, Binh Dinh Province; he joined the revolution in 1945; he graduated from college with a master's degree in science and technology in the Soviet Union. For many years, he taught at the Hanoi Polytechnic Institute, the Construction Institute; in 1975, he was vice president of the Ho Chi Minh City University; he was appointed chairman of the State Science Commission in 1982; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Ha Thi Khiết [HAF THIJ KHIETS]**

\*Secretary of the CPV Committee and chairwoman of the People's Council, Tuyen Quang Province; on 13 December she welcomed a National Assembly delegation which came to visit her province. (Ho Chi Minh City SAIGON CIAI PHONG 14 Dec 92 p 1)

**Cao Si Kiem [CAO SIX KIEEM]**

Governor of the State Bank; he was born in 1941 in Vu Thu District, Thai Binh Province; he joined the revolution in 1957; he is a graduate of the Banking Institute; before being appointed governor of the State Bank in April 1989, he was director of the Thai Binh Provincial Bank and CPV secretary of Thai Binh Province; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Mai Ky [MAI KYR]**

Minister in charge of population and family planning; he was born in 1930 in Hoai Nhon District, Binh Dinh Province; he joined the revolution in 1936; he has a master's degree in metallurgy; he taught at the Hanoi Polytechnic Institute for many years and was appointed minister of engineering and metallurgy in 1979; in 1985, he became vice chairman of the State Planning Commission; he was appointed minister in charge of population and family planning in May 1992; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Nguyen Ngoc Lu [NGUYEENX NGOCJ LUW], Senior Colonel**

\*SRV military attache to China; on 7 December he was in Beijing to welcome an SRV military delegation visiting China. (Ho Chi Minh City SAIGON GIAI PHONG 9 Dec 92 p 1)

**Nguyen Trong Nhan [NGUYEENX TRONGJ  
NHAAN]**

\*Minister of public health; he was born on 4 October 1930 in Binh Luc District, Nam Ha Province; he joined the revolution in 1950; he has a master's degree in medical studies; for many years he worked in the medical field; he is a well-known eye specialist, director of the Eye Institute, and chairman of the Vietnam Ophthalmology Association; he was awarded the title "Labor Hero" in 1985; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Tran Trung Nhat [TRAANF TRUNG NHAATJ]**

\*Chairman of the People's Committee, Tuyen Quang Province; on 13 December he welcomed a National Assembly delegation which was visiting his province. (Ho Chi Minh City SAIGON GIAI PHONG 14 Dec 92 p 1)

**Hoan Duc Nghi [HOANGF DUWCS NGHI]**

\*Minister in charge of the Ethnic Committee and Mountain Regions; he was born on 6 May 1940 in Hoa An District, Cao Bang Province; he joined the revolution in 1951; he has a college degree in electrical and mechanical engineering; for many years he worked in the materials supply branch; in April 1982, he was appointed minister of supply; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Tran Hong Quan [TRAANF HOONGF QUAAN]**

Minister of education and training; he was born on 15 February 1937 in Thanh Tri District, Soc Trang Province; he joined the revolution in 1950; in 1973, he graduated with a master's degree in Hungary; for many years he worked in the college field; he was president of the Ho Chi Minh City Polytechnic Institute in April 1977; in September 1982, he was appointed vice minister, then minister of higher education and vocational training; in March 1990, he was appointed minister of education and vocational training; he is currently a member of the CPV Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Phan Van Tiem [PHAN VAWN TIEEMJ]**

\*Minister in charge of a number of government affairs; he was born on 23 November 1933 in Duc Tho District, Ha Tinh Province; he joined the revolution in 1951; he has a Ph.D. in economic science; in 1982, he was acting chairman of the State Price Commission then became chairman of the same commission in 1987; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Tran Thi Thanh Thanh [TRANF THIJ THANH  
THANH]**

\*Minister in charge of child care and protection; she was born on 17 December 1940 in Hoa Vang, Quang Nam-Da Nang Province; she joined the revolution in 1962 and has an M.A. degree in education; for many years she worked for the Ho Chi Minh Communist Youth Union and the Vietnam Women's Union; in June 1991, she was appointed permanent vice chairman of the Vietnam Child Care and Protection Committee; she is currently a member of the CPV Central Committee; her name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)

**Phan Van Trang [PHAN VAWN TRANG]**

\*Secretary of the CPV Committee; \*chairman of the People's Committee, Dong Nai Province; he was interviewed by the cited source. (Ho Chi Minh City SAIGON GIAI PHONG 29 Dec 92 p 2)

**Le Van Triet [LEE VAWN TRIETS]**

Minister of commerce; he was born on 6 June 1930 in Chau Thanh District, Tien Giang Province; he joined the revolution in 1946; he has a college degree in machinery. For several years, he worked in the machinery section; he was vice minister of engineering and metallurgy in 1970; he became vice chairman of the Ho Chi Minh City people's Committee in 1982; in May 1988, he was appointed vice minister of external trade; in 1990, he was first vice minister of commerce; later he became minister of trade and tourism; he is currently a member of the CPV Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 8)